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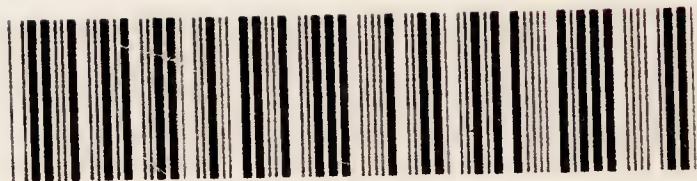
ELEANOR F. RATHBONE

D.C.L., LL.D., M.P.

THE CASE FOR FAMILY ALLOWANCES

Children are not simply a private luxury. They are an asset to the community, and the community can no longer afford to leave the provision for their welfare solely to the accident of individual income.





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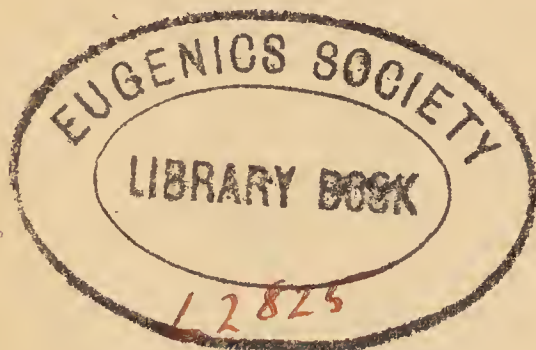
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THE CASE FOR FAMILY ALLOWANCES

By ELEANOR F. RATHBONE
D.C.L., LL.D., M.P.

It was estimated before the war that anything up to half the population of Great Britain—including three-quarters of the children—were living on incomes too low to provide them with the minimum standard of nutrition laid down by the League of Nations Committee, and that 14% of the population has less than 4/- a week per head to spend on food. Miss Rathbone maintains that the most straightforward way of relieving this poverty and of preventing it from lowering the birthrate and undermining the health of the coming generation is for society to make direct provision for the support of its children. In this book, written in April 1940, she states the case for family allowances, and describes the experiments which have already been tried in other countries. Englishmen, she says, are not less fair-minded and humane than the Australians or the French, and war, while it increases the need, will also provide the opportunity to effect at once a fundamental reform.



PUBLISHER'S NOTE

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THE AUTHOR

Belongs to a large, old, mercantile, Radical, Nonconformist family in Liverpool. After leaving Somerville College, Oxford, where she took Classical Grants and specialised in philosophy, she served a long apprenticeship to public affairs as a social investigator, case-worker, school manager, and worker for women's suffrage and other feminist reforms. Many of these eventually became law during the "reconstruction" period which followed the Great War. During the war, she was head of the Liverpool Soldiers', Sailors' and Airmen's Families Association. She served on the Liverpool City Council from 1909 to 1935 and as a J.P. from 1920 to 1937. In 1929 she was elected M.P. (Independent) for the Combined English Universities, was re-elected in 1931 and returned unopposed in 1935.

Her first book (1924) on Family Allowances, *The Disinherited Family* (Allen & Unwin), was acclaimed by economists as an original and important work—in the words of *The Spectator* reviewer, "one of the most important contributions to social economics which has appeared for many years".

Her other books are: *William Rathbone: A Memoir* (Macmillan, 1905); *Child Marriage: The Indian Minotaur* (Allen & Unwin, 1934); *War Can be Averted: The Achievability of Collective Security* (Gollancz, 1938).

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NOTE

THE greater part of this book was written in April 1940 for the Penguin series, and though intended chiefly for the general reader, it contains much new material which may, I hope, be useful to the serious students, now relatively numerous, of this long-neglected subject. A few pages of it are reproduced, with permission, from a lecture originally given under the Beckly Trust and published in book form by the Epworth Press. I have also quoted from a still earlier and better book of my own, *The Disinherited Family*, published by Messrs. Allen & Unwin, and to this I venture to refer readers who are philosophically minded enough to want a wider and deeper appreciation of the case than is possible in the compass of this book. I am indebted to Mr. R. M. Titmuss for his help in providing me with some of my facts and figures. My other authorities are acknowledged in the appropriate places.



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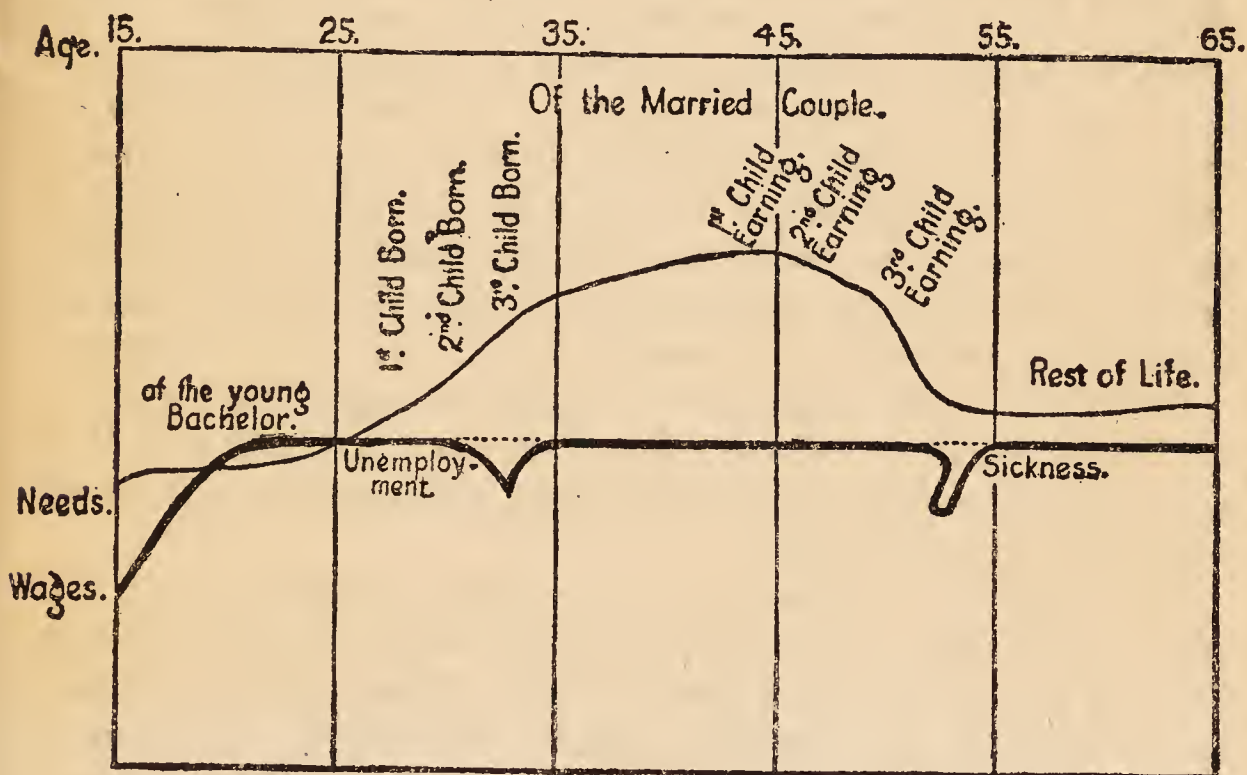
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The book had a long review of
 the book in the review that you
 found that "throughout this
 small book, the bearing of
 the problem on population, its
 quantity & quality, & its political,
 economic & organic aspects,
 have never been overlooked."
 The truth is that the book
 says nothing about expenses!!

INTRODUCTION

THE case for Family Allowances does not rest on any one concrete scheme. It rests on a principle which, as we shall see, can be and is embodied in a variety of schemes. This principle is that Society should include in its economic structure some form of direct financial provision for the maintenance of children, instead of proceeding on the assumption that, save in cases of exceptional misfortune, this is a matter which concerns only individual parents and should be left to them, because normally men's wages or salaries are, or ought to be and can be made to be, sufficient for the support of their families.

This assumption is doubly false. It ignores the fact that children, as the future citizens and workers, have a value to Society which does not depend on and has no direct relation to the value of the father's work for his employer. It also ignores the fact that the



charge of keeping a family is not a charge resting on all men-earners, but one which most of them incur during part of their working life and which waxes and wanes as children are born, grow older and finally become self-supporting. The cost of family maintenance cannot therefore be properly met by a wage system which takes no account of these fluctuations. The present position can roughly be pictured by the diagram on p. ix.

Supporters of Family Allowances ask Society to repair this defect in its economic structure by making it possible for parents to obtain additional temporary resources in the shape of money allowances to meet the heavy temporary strain of child dependency, and so to bring about a closer correspondence or parallelism between the incomes of families and their normal, necessary needs.

This general aim, as already indicated, can be realised in a number of different ways, through schemes which vary in their scope, their methods, and the source of the funds they would require. Some could be carried out by voluntary effort; most demand State action and expenditure of public funds. Many of these schemes do not exist only in theory. There exists to-day a large body of experience to draw on—the experience of other countries which have accepted our principle and, to a lesser extent, the experience afforded by voluntary experiments in our own country. These schemes, whether theoretical or realised, are described and discussed in the last two chapters of this book. Its first two chapters are devoted to a criticism of the present system—if system it can be called—of provision for the maintenance of families, showing how it fails to secure the well-being of children, and reacts unfavourably on the health, character and happiness of their parents, and through them on the prosperity and security of the community as a whole.

Impatient readers who want to “get to the point” may prefer to read the later chapters first. But if they do so, I fear that “the point” may not prick them sufficiently to spur them into the activity necessary to secure reform.

One caution is necessary. The concrete schemes which will be discussed may appeal differently to readers according to their differing political views or class outlook. Some who are attracted by one scheme may repudiate others. But fruitful discussion of the whole subject is only possible if the question of the principle is

not confused with that of any particular method of embodying it and, further, if the reader will remember that Family Allowances are not a kind of Morrison's pill, warranted to cure all the ills of Society. Our proposal is not a substitute for greater productivity, or more goodwill, or workers' control, or Socialism, or any other "ism". It is neither dependent on nor antagonistic to any of these things. It aims only at meeting a particular need which would continue even if all these other ends were achieved—will continue indeed so long as the institution of the Family continues.

THE CASE FOR FAMILY ALLOWANCES

CHAPTER I

THE ETHICAL CASE AGAINST THE PRESENT METHOD OF PROVISION FOR CHILDREN

“All persons are deemed to have a right to equality of treatment, except when some recognised expediency requires the reverse. And hence all social inequalities which have ceased to be considered expedient assume the character, not of simple expediency, but of injustice, and appear so tyrannical that people are apt to wonder how they ever could have been tolerated; forgetful that they themselves perhaps tolerate other inequalities under an equally mistaken notion of expediency, the correction of which would make that which they approve seem quite as monstrous as what they have at last learnt to condemn. The entire history of social improvement has been a series of transitions, by which one custom or institution after another, from being a supposed primary necessity of social existence, has passed into the rank of an universally stigmatized injustice and tyranny.”—J. S. Mill’s *Utilitarianism*, p. 93.

To dilate on the value of the Family as a social institution would be to utter commonplaces. Not that there are no doubters. In every age there have been thinkers and their followers who held that family ties hindered rather than helped “the good life” because they required a loyalty which conflicted with, or at least distracted men’s minds from, their loyalty to God or to the State. Thus Plato wanted his guardians of the State to have their wives and children in common, subject to elaborate eugenic safeguards, and the early Christian saints from St. Paul onwards thought the celibate life the highest. But these thinkers have never commanded—few even demanded—the assent of the majority to their opinion. For a few leaders of thought or of political or religious movements it may be conceded that the intense concentration on their purpose necessary for its effectiveness required freedom from all other entanglements. But even these thinkers

were probably brought up in families, and owed something to the kind of experience which family life best gives—the intimate association and interdependence of both sexes and different ages, the discipline combined with privacy and freedom in leisure hours. For the majority it is generally admitted that, in maturity as well as in childhood, the individual home affords a better setting than either solitude or communal life. Most people would also agree that the Family as an institution has a special value at the present time as a bulwark against certain explosive and disrupting forces. A man with a wife and family may talk revolution, but he is much less likely to act it than one who has given Society no such hostages.

Apart from these social and political uses, the spiritual relations of the Family are a theme so well worn that it is scarcely possible to move a step in it without treading on a platitude. These relations give to human life, not only half its “pathos and sublime”, but half its strongest emotions, most enduring motives, most accessible sources of happiness.

It follows that any proposal which concerns the Family, and might conceivably change its external or internal relationships, will and ought to be closely scrutinised before it is accepted, lest it should be likely in effect—whatever its intention—to damage the structure.

On the other hand—as with a building—the fact that an institution is immensely valuable is an additional reason for subjecting, not itself, but its setting in Society to periodic examination. It may need underpinning, cleansing of accretions, adapting to a changed environment.

The object of this book is to challenge nothing and change nothing that the Family does for Society; merely to ask whether Society at present makes to the Family quite a fair return for what it gets from it—a return, I mean, in material goods. It honours the Family as an institution, it protects the lives and liberties of its members; it guarantees them education for their children, relief in destitution and insurance against some of the emergencies which would otherwise lead to destitution. But what share does it give to the normal family unit in what is known as national income or dividend? And what effect does its economic treatment have on the well-being of the family itself and of the community?

Most Englishmen have a rooted distrust of reasoning, and believe that what they call their instincts and intuitions—usually, in fact, prejudices based on custom or self-interest—are a safer guide to

conduct. Even when they have learnt to consult reason in matters of business or politics, they generally warn her off the doorstep if she approaches the region of personal relationships.

Thus there are professional thinkers, men who are spending their lives in persuading Society to act reasonably in international or industrial matters, who, after admitting that the case for Family Allowances is "unanswerable", declare that they dislike it; it is too mechanical—and so turn their backs irritably on the whole subject. Just so the prosperous motorist is annoyed at the suggestion that the picturesque creeper-covered cottages he passes in the country are going to be replaced with new houses equipped with three bedrooms, a bathroom and all modern conveniences. He admits that the picturesque cottage is probably cramped, dark and insanitary, but he prefers it. He has never spent a day in such a place, nor troubled to think what a lifetime spent in it must be like. But he prefers it, "and that's that".

The cramped cottage sheltering the labourer's family is at once the result and the symbol of the part of the social structure which Family Allowances aim at rebuilding. But is it really a beautiful part to those whose minds have eyes as well as their bodies? Remembering that the economic factor in life is not the only, nor even the most, important factor, but that it does react on all the others, let us ask ourselves how the system of the uniform wage—varying not at all with the worker's needs but corresponding roughly with the average of his customary requirements throughout his working life—works out in practice. Does it help or hinder "the good life"—make it harder or easier for the man, his wife and each of his children to attain the full measure of the stature—physical, mental and moral—which Nature intended for him or her?

The man first! By our hypothesis (and economists say it is usually so) our typical rank-and-file workman has adopted an occupation of about the same grade as his father's, and is earning for several years at least before he marries nearly or quite as much as he will ever earn.¹ The sum is probably more than his mother kept the whole family on in his childhood. He pays her what she asks for his keep (and many mothers, in their anxiety to retain their boys at

¹ In Marshall's *Principles of Economics* (Book III, chap. iv) he estimates that the unskilled workman usually attains his full wage-earning capacity at eighteen; the skilled at twenty-one. Dr. Bowley in *Nature and Purpose of the Measurement of Social Phenomena* shows that the son of the unskilled/skilled workman usually becomes an unskilled/skilled workman.

home, ask absurdly little), and has the rest to spend on his personal habits and interests.

As he is, by our assumption, not a paragon, but a rank-and-file young man, a not very large proportion probably goes on education, politics and saving for a future home, the rest on cigarettes, beer, football, cinemas. If he values leisure more than these luxuries he probably "plays a bit" more frequently than is convenient to his employer in busy times, or at any time if the occupation is one in which the absence of some members of a shift upsets the work of the rest. In most controversies about wages the complaints of the trade unions that their members cannot "keep their families" on what they are getting, are met by the retort of the employers that there is, nevertheless, considerable absenteeism. Enquiries as to who are the offenders would probably reveal the fact that they are either the young single men, or those who, having formed in youth the habit of taking Mondays off, find it too difficult to break even when its consequences are inconvenient to their families as well as to their employers. The same thing is true of the habits of excessive working-class expenditure on alcohol, tobacco, betting, which provide the consciences of the well-to-do with such a comfortable narcotic when they are troubled by the complaints of their employees or the revelations of sociologists and Royal Commissions as to the proportion of workers earning less than "a living wage". They are able to point, for example, to the fact that in 1937 the amount spent on drink in this country was £247 million, including £162 million on beer alone; £154 million on tobacco; £200 million on sports and entertainments. Much of this doubtless was spent by the well-to-do, but, after all, these are but a small minority, and they have but one mouth apiece.

Nothing so pleases the middle-class opponents of Family Allowances, or so annoys its Labour critics, as this part of our case. The armchair group like it because it gives them a chance of denouncing us as sour-faced Pharisees, who grudge the young bachelor the satisfactions of a full life and want to deprive him of his surplus. They are usually to be found, a few minutes later, pointing themselves to the same facts of working-class luxury expenditure as proofs that Family Allowances (and incidentally that higher wages) are quite unnecessary.

Exponents of the case for Labour are sorely aware that these facts seem to tell against their claims, and, while unable to refute, they hate to be reminded of them. But is it ever well to try to hide the truth, especially when indeed it is only their heads that, ostrich-

like, they are hiding? It is a poor sort of loyalty to the working classes that compels their champions to pretend that every young workman is like a young god, incorruptible, instead of like the rest of us, a creature who finds it easy to form habits, especially in childhood and youth, and terribly hard to break them.

Let us suppose, however, that our typical youth, when at twenty-seven or so he marries and settles down with the girl of his choice, does do this difficult thing; that he turns in to his wife the whole of his wages except quite reasonable pocket-money. Since she also is assumed to be a typical member of the rank and file, we need not perhaps travel so far from probability as to suppose that she finds time, in the intervals of nursing her babies, doing all the cooking, cleaning, sewing for the household, to study food values, buy in the cheapest market, and make the most scientific use of her materials; nor need we assume the whole family to be vegetarians, non-smokers and teetotallers, who spend not a farthing on anything but bare necessities. They will certainly contrive to satisfy some of their "human needs", even if their income is considerably below that theoretically necessary for the purpose. They will do it by economising on some of the things necessary to physical health and perhaps to mental and moral health as well.¹

Their first economy will be on rent. If they began life, as they probably did, in a couple of rooms or a four-roomed cottage, they will find it impossible to move, as the family grows bigger, into one of the new "Ministry" houses. These will be left to the aristocracy of labour, or perhaps the childless couples. The results of this tell on the whole family. The man finds home increasingly uncomfortable, with the racket of children, the smell of cooking, the steam of drying clothes; the cheap furniture, generally bought on the hire system, and not, as in theory it should be, out of the bachelor's surplus, wears out and cannot be replaced; there is no quiet corner where he can enjoy his pipe and a book or a talk on politics or football with a friend; so he seeks these things outside, and where can he so easily and conveniently find them as in the public-house? The wife, who probably began her married

¹ At the beginning of the last War, some people found it very funny that soldiers' wives, living in horrid little court dwellings, would often spend the arrears of their separation allowance, when it reached them in a large lump, on perfectly useless and unlovely things, such as gaudy pictures and vases, clumsy bits of furniture, which yet expressed their blind craving for the something beautiful. The same people would doubtless think "the desire of the moth for the star" very funny, if they had not been taught to find it touching.

life with modern ideas of what the comradeship of married life should be, finds herself left alone, and becomes more and more absorbed in the difficulties of housework in a confined space, with no bathroom and probably no boiler or drying-ground, with an old-fashioned stove (if any) that wastes coal and needs continual black-leading; insufficient storage for food and coal, so that they must be wastefully bought in tiny quantities; no place for the perambulator (if she is lucky enough to have one) except in the living-room; pans, brushes, cleaning materials all insufficient, because necessary replacements make too serious inroads on the weekly food-money. Child-bearing under these conditions makes a heavy drain on her strength. She cannot afford the necessary rests or the nourishing food she and her babies need during and after pregnancies. She loses her looks. If pregnancies come in quick succession, possibly her nerves and temper give way and she becomes a nag or a scold; more often she merely becomes devitalised and rather silent and listless. One may see crowds of such women in the poorer shopping centres, or sitting on the free seats in the parks while their children play—round-shouldered, shabby figures, so uninteresting that few people look closely enough at their faces to note the lines of permanent, patient endurance in which they are set: symptoms of a physical discomfort and moral discouragement so habitual that they have become subconscious. Many of them have never since they married ten or twenty years ago spent even a week in the country, or been relieved for more than a rare day of the routine of housework and child-minding.¹

There are no official records of the health of these women, as there are of the men and the children. Not being in the eyes of the law "employed persons", they have no panel doctor and can seldom afford the luxury of medical attendance unless they become seriously ill. The only branch of vital statistics which throws special light on this section of the community is that which reveals that maternal mortality is one of the few causes of death that—except for a recent slight decline—has remained obstinately constant during the past quarter of a century. Mining is rightly considered a "dangerous occupation". But among roughly 600,000 miners the fatal accidents have recently been about 600 per annum, or 1 per 1,000 men. About 650,000 births occur annually; the maternal

¹ Any of the organisations which provide holidays for poor women (they are few and small compared to those which cater for children and youths) can testify to this.

deaths average 2,000, or nearly 3 per 1,000 births. Thus a woman runs more danger when she brings a child into the world than a miner who goes down the pit every working day for a year. I understand that I annoyed some miners' leaders by pointing this out to the Samuel Commission on the Coal Industry. But they should be sympathetic, because maternal mortality, though slightly improved in the last few years, is specially high in mining areas, no doubt owing, as the Ministry of Health's Report on the subject in 1924 suggests, to the exceptionally difficult home conditions which miners' wives have to contend with, due to the shift system, coal dust and "the cheerless and frequently insanitary dwellings". During 1928-34 the rate was 41 per cent. higher in coal-mining counties than in prosperous Middlesex and Essex.

One admirable though limited recent enquiry does something to make up for the lack of official statistics. This is reported in the little book *Working-class Wives*, published in the Pelican series, which all should read who want to understand the conditions under which great numbers of British wives and mothers have to live and the effect on their own and their children's health and welfare. As to health, the records of 1,250 women were obtained from themselves or those who knew them well. Of these, only 392 (33·3 per cent.) were in "apparently good health"—that is, felt fit and well and showed no evidence of definite ailments. "Indifferent health" was the condition of 278 (22·3 per cent.). They had chronic ailments, but not of a serious kind. "Bad health" described the state of 190 (15·2 per cent.). Their description of themselves as "fairly well" or "well on and off" was so qualified as to lead the enquirers to believe that they were courageously making light of alarming symptoms or chronic sufferings. No less than 390 (31·2 per cent.) were in a condition described as "very grave". To the question whether they felt fit and well, the answer was "No" or "Never", and it was amply backed up by further evidence. Thus of this sample of working-class wives (and almost all of them were mothers) nearly half were in definitely bad health, and less than a third in a really satisfactory condition.

The enquirers were completely convinced that this evidence of widespread ill-health rather under-states than exaggerates the truth. I can well believe it. During over 25 years of social work in Liverpool nothing struck me more than the astounding, the excessive, the sometimes exasperating patience of the very poor under sufferings which might have been remedied if they had been less patient. It did not seem due, in most cases, to self-restraint,

but to lack of sufficient vitality to rebel. In matters of health it was also due to sheer fear—fear of admitting even to themselves that they were ill, because that would mean certain expenditure of money and time which they could not afford, and possibly the horror of being separated from their families and undergoing an operation in hospital. Hence, in the words of the enquiry, they would “cheat themselves into a stubborn assertion of well-being rather than add one more torment to their manifold troubles and responsibilities”.

This is true also of many of the men. They can better be spared from their homes if hospital treatment is necessary. But, on the other hand, there is the added dread of “stop work” and the knowledge that though they will get insurance benefit for themselves, it will not include, as unemployment benefit would, allowances for their wives and children. This is one of the most indefensible anomalies still left in our national insurance system.

In reading such books as *Working-class Wives*, a further fact must be borne in mind. It is true not only that, broadly speaking, these women “do not exaggerate”, but also that there are depths beneath them. The women who have energy enough to answer questionnaires, or friends or friendly visitors who know and care enough to answer for them, are mainly those who either belong themselves to some kind of women’s organisation or at least dwell in districts where such organisations or other social service activities are well developed. Among these women there are many so strong in mind and character, and sometimes in body, that they manage to keep their homes comfortable and themselves cheerful and happy on incredibly small incomes. As an example of this, I will quote from this valuable enquiry only one of the innumerable vignettes it supplies.

“Mrs. MacN. of Glasgow lives in one room and kitchen. She says it has *no* drawbacks. ‘I take everything as it comes, and the only difficulty is when baby is restless.’ Her husband is an unemployed carter, and she gets £2 unemployment money and 10s. from one boy (aged 16) who is working. Out of this £2 10s. 0d. she pays 9s. rent. She is 37 and has had 14 pregnancies, which include four children who have died and two miscarriages; there are therefore eight living children; five boys and three girls, living at home; the eldest girl of 18 is married and ‘living in her own home’. She is ‘never ill unless with children, and that passed off comfortably’. She gets up at 6 and goes to bed at 10. Her leisure consists of

‘ 15 minutes round the block with baby till he goes to sleep ; 15 minutes for messages at 2 p.m. Club gymnasium on Tuesday, 45 minutes, and sewing class Thursday one hour or so ’. Porridge and milk and vegetable soups are regular items of diet. The visitor who saw her says, ‘ This woman has absolutely no complaints about accommodation, health or lack of funds. She plans her time very methodically and manages to feed herself and her family sufficiently well to maintain health.’ The Scots are truly a wonderful people.”

Except for a few grumbles such as that of the contributor who believed “ that one of the biggest difficulties we mothers have is our husbands do not realise we ever need any leisure time ”, the record contains few illustrations of one by-product of the defect in the social system which we have been discussing. What happens when the husband fails to recognise that, since family responsibilities have brought no accretion to the family income, it is incumbent on him to forgo some of the indulgences he could afford in his bachelor days ? The victims of that failure are usually too loyal or too submerged in poverty and misery to make complaints, but the dismal story can be told from its results. Of his wages, inadequate at best, he hands over a preposterously small proportion to his wife. On this she has to “ make do ”, seeing her children, born at such risk and suffering, steadily deteriorating in health and character (most of the babies, we are told, even of underfed and sickly women are born healthy) ; liable to be blamed by school teachers, inspectors, neighbours, for their ill-fed and ill-clad appearance, yet without money even for enough soap to keep them clean ; her home, in which her whole life is centred, gradually stripped of the few plenishings collected in her early married days, till not a thing is left in it that can bring comfort to the body or pride to the eye. No wonder she sometimes becomes a slattern and (when she gets the chance) a drunkard herself.

In the better homes—and in many indeed of the worse, thanks to the strength of the ineradicable parental instinct—the children are usually guarded from actual hunger. The best of the food, it is true, even in the good homes, has to go to the breadwinner, for the quite sound reason that his health must be maintained. But the children come next, and often, when the father’s affections are stronger than reason, first.

But, after all, the working-class mother, however devoted, is not a miracle-worker though she often seems so to those who see her

results and know her resources. Her miracles are those of appearances rather than realities. A few scraps of meat to several pounds of potatoes can be made to look and smell like an Irish stew, but its nourishing and warming qualities are not as they might be if the proportions were different. Flannelette looks like flannel and margarine like butter. But the stage is soon reached—much sooner, it must be confessed, than if the family income were expended as the armchair theorists would have it—when every new arrival simply means pinching a bit off the share of each of its predecessors' already too meagre share of food, air, bedding, soap and mother's care.

They grow up huddled together, their bodies, minds and characters jostling each other like young chickens in an overstocked poultry-run. Victorian ideas of modesty and reticence may have been prudish, but the early familiarity of the poor with the physical side of life at its barest and ugliest outstrips the wishes of even the ultra-modern. As individualities develop, there is no quiet corner of the house where the scientifically minded child can experiment with wood or metal or clay, or the studious child read for a scholarship. The ordinary child fares best, for it can enjoy the communal training of the streets and public play-grounds, where the staking out of private property claims and the kind of individualism that requires to send down its roots are discouraged by the guardians of public order.

Facts and figures will be given in the next chapter showing the effects of all this on the standard of living, on malnutrition and on health and physical development. But many comfortably off people are very little impressed by facts and figures of this kind. They are so used to class differences of every kind that it seems to them perfectly natural and right that their own children should have greater opportunities of making the best of themselves than those of the wage-earners. What does impress them is the immense improvement that has taken place in the condition of the latter. Remembering the bare-footed, ragged, dirty children who used to swarm in the streets of big cities, they contrast the children they see pouring out of the gates of Council schools in the suburbs, and even in fairly poor neighbourhoods, with their clean faces, gay knitted suits and hair-ribbons. Thinking of the burden of their own rates and taxes, they are on the defensive against every suggestion that seems to threaten an increase and declare that "the poor have already too much done for them".

Yet these comfortable people could not endure that their own

children should live for a week under the conditions even of a well-to-do artisan's family, to say nothing of the home of our typical unskilled labourer. There is more meat, milk, green vegetables, fruit—more of everything except bread, margarine and tea—consumed in their households in a week than the workman with a corresponding family can afford in a month or more. However roomy and airy their houses, they think it essential that the whole family should spend several weeks at least every year in the country or by the sea. The mother would fret herself into a nervous breakdown if compelled to see some adored child, threatened with serious illness, go without the expensive treatment ordered by the doctor. The father has a bitter grudge against “those agitators” whose unreasonable demands have so lowered his profits and increased his burdens that instead of sending his sons to Eton, he has to send them to a secondary school, where association with the scholars from elementary schools will, he anticipates, ruin their accents, roughen their manners and teach them “nasty tricks”. His fears may be unjustified. But even the most enthusiastic member of the Labour Party, himself of the professional classes, usually hesitates to send his children to an ordinary Council School, especially in a poor neighbourhood, probably because he fears that neither the education nor the companionship they would get there would help to develop the finer qualities of mind and character which should be the natural heritage of all the children of an old and ripe civilisation.

Of course there are exceptions. Some men of genius have emerged from very poor homes; probably many more saints, canonised or otherwise, and ordinary “gentlemen” and “gentlewomen”. The power, whatever we call it, that pulls camels through the eyes of needles manifests itself among the poor as well as the rich. Let us grant not only that human virtue can “smell sweet and blossom in the dust”, but that from the most difficult conditions as from manure, the fairest lives often spring. Does that justify those whose own environment should make the elementary virtues of temperance, decency, order, good manners so easy that they cease to be virtues and become instinctive habits, in acquiescing for others in conditions which make these things so difficult that the frequency of their achievement seems a miracle? As to those who fail to achieve them and whose children suffer from their failure, the provision of Family Allowances would make it far easier to enforce their parental responsibility. There exists already ample legal provision for protecting children against neglect. The

chief difficulty in the way of enforcing legislation is that those who as teachers, inspectors, etc., are brought into touch with the ill-fed, ill-clad, unhealthy child can seldom distinguish between the consequences of poverty and those of negligence. The drunken father or slatternly mother can always plead, "My poverty, but not my will, consents." But if it were a matter of common knowledge that for every child the parents received at least enough for its elementary needs, it would seldom be necessary to invoke the law; public opinion would suffice to shame the parents into a better discharge of their obligations.

Before the institution of Unemployment Insurance and Assistance it used to be argued that children's allowances would make it easy for fathers of families to be idle. Now that such allowances are received by the unemployed, but not by the employed, the argument, as we have later noted, cuts the other way. There is a real danger that workers normally employed in low-paid trades may find it unprofitable to take the work offered them, and this can only be met when provision is made for the children of the workers as well as of the workless.

The argument that the State must not step in between parent and child has in fact been used against every past measure for safeguarding the welfare of children. Yet few will deny that the standard of parental care has never been higher than at present, and that it has been strengthened rather than weakened by the long series of reforms which have compelled even the most selfish parent to recognise that his child is not merely his creature, but a human being with its own rights and its own value to the community.

Apart from its moral reactions, of which we have said something, and its economic consequences, which we are about to discuss, there is one more argument against the present method or non-method of providing for children—its fundamental injustice. Usually I find that women are more impressed than men by this aspect of the question, probably because it concerns them more. Yet men are apt to pride themselves on having a stronger sense of justice than those they still think of, though the words have gone out of fashion, as "the weaker sex".

We shall see that dependent wives and children together constitute nearly half the population and slightly outnumber that section of it which performs remunerated services. The production and rearing of their children are essential to the future State. As Lord Stamp has put it:—

“ Regarding labour as a continuous flow of one agent, the provision of children to grow up and replace the worn-out units is an economic necessity, to be included in full current ‘ cost of production ’ just as surely as a fund for replacement of other producing agents.”

Or, as the late Mr. Herbert Smith told a Court of Enquiry into miners’ wages, the cost of rearing the future labour supply is “ as much a necessary cost of production as the price of pit-props or depreciation or renewal of plant ”.

Yet by refusing to make any special provision for this colossal and necessary charge, Society in fact treats it as though marrying and having children were merely one of a number of alternative amenities on which the worker is free, if he chooses, to spend part of the remuneration earned by his hand or brain in the labour market. This point of view is indeed implicit in most modern discussions of the wage problem, whether by economists or between employers and employed. Usually it is shown merely by grouping the desire to “ keep a family ” with the British workman’s insistence on a meat diet as contrasted with the Oriental’s contentment with rice. Sometimes it is more crudely explicit, as in a letter to the Press from a Liverpool schoolmaster, who, after declaring that teachers’ salaries are adequate for women and bachelors, continued :—

“ But for a man who wishes to keep pace with his friends and relatives who get on in the world, who wishes to live comfortably, keep a wife and family, and perhaps a little car, and not be beaten by his contemporaries in the game of life, teaching offers no opportunities, no attractions, no satisfaction.”

But nothing so brings home the blatant egotism of this attitude as the way in which the case for Family Allowances is met by its critics and opponents. To every description of privations endured by parents and their children, to every comparison with the easier lot of the childless, the retort is that parenthood has its own satisfactions and that a bachelor or spinster may have legitimate reasons for preferring the satisfactions of single life. We are reminded that parents take this responsibility voluntarily upon themselves and should not do so if not prepared to pay the price. The fact that the children themselves are separate human beings, each with an individuality of his own and a potential value for Society, is coolly set aside. As for the wife, any suggestion that her

services in bearing and rearing the children give her any claim of her own on the community is either ignored or met with the academic equivalent of the wink and dig in the ribs of the nearest male with which the hundred-per-cent. he-man in more primitive circles habitually greets every allusion to sex or maternity.

Or we are told that men and women do not in fact enter upon matrimony in order to recruit Society or the labour market, but to satisfy their own instincts and affections, and that the children they produce are often rather a burden than an asset to the community. The bearing of our question on population—its quantity and quality—will be discussed later. Here we need only say that if parenthood is often irresponsibly undertaken and its offspring unsatisfactory, the very attitude we are discussing is largely to blame. Society in this mood speaks and acts as though children were no one's affair but their parents'. But humanity forbids it to carry this to its logical conclusion. Hence it is perpetually rushing in to avert the harshest consequences of its failure to make systematic provision in its structure for children, by doing just enough to enable them to grow up and perpetuate their kind, not enough to secure them the chance to be well born and well reared.

In truth, however, the better sort of parents do regard their parenthood as a service and see in their children not only what they are, but what they might be. Hence the bitter grudge felt by some of them against a Society that has failed to give their children a chance of realising the full measure of their human stature.

When the opponent of Family Allowances is made conscious of this, he changes his tone. Parenthood is then represented not merely as a service, but as a service so sacred that to talk of paying for it is an insult. Parents are asked whether they grudge making sacrifices for their children. No doubt there are some who use this argument sincerely, misled by an ambiguous use of the word "payment". We who believe in this new principle do not ask that parenthood should be paid for in the sense of rewarded. All we ask is that the labourer who performs it—and in respect of the task of caring for the child's daily needs that is the mother—shall be enabled to procure the materials and tools (food, clothing, house-room, etc.) necessary for its efficient discharge. The present system is as though a doctor were expected not merely to make no charge but to bear the full cost of the medicines and nourishment he prescribes.

It has to be admitted that some parents, especially fathers, are

inclined to defend this ignoring of the economic value of their services. Some do so because they cannot bear it to be thought, or to admit even to themselves, that they grudge the sacrifices which parenthood has imposed on them. In the minds of others there are less worthy motives, of which I shall have something to say later. But it is not from the sentiments of individual fathers or mothers that the present system can be judged, but from its proved reactions on parenthood and on children, on the Family as a unit, and through the Family on Society as a whole.

To my own inner mind the case in this aspect of it presents itself in the image of a group of people seated round a table, engaged in sharing out among themselves the wealth of the community. Representatives are there of landlords, capitalists, employers, salary-earners, skilled and unskilled workers, all anxious to increase or at least preserve the share of their class. Then steps forward a new figure, representing the Family, and cries, "Here, what about me? Without me, none of you would exist. If I don't do my work or do it badly, you'll soon cease to exist. What if I go on strike? Give me my share."

It remains now for us to examine that claim from the economic point of view, to measure and weigh it, and to show how by ignoring or attempting to meet it in clumsy and indirect ways, the welfare of the nation is injured, its balance upset and its future existence threatened.

CHAPTER II

THE ECONOMIC CASE AGAINST THE PRESENT METHOD

TAKING up, then, the claim just put forward, let us look at the question as from a height.

The 1931 Census showed for Great Britain (England, Wales and Scotland) a population of about 44,800,000, of whom $18\frac{1}{2}$ million were "occupied"¹ persons and $2\frac{1}{2}$ million normally occupied but unemployed. The "unoccupied" 24 million were made up (in round figures) as follows: 10 million were children under 15; $1\frac{1}{4}$ million (out of a total of $4\frac{1}{2}$ million) were between the ages of 15 and 20 and presumably still at school or college; 12 million were women ($8\frac{1}{2}$ million married, $3\frac{1}{2}$ million single or widowed); the remaining $\frac{3}{4}$ million males were presumably the leisured well-to-do, the retired and the invalids.

Thus the families of dependent children and young persons, together with their mothers (roughly $19\frac{3}{4}$ million,) then outnumbered the employers, the self-employed and the actually employed all put together.

These figures at first sight seem to suggest that we are a lazy people and that some injustice is being done to the smaller half of the population who have to carry the larger half on their backs. But in fact it is the other way round. These "dependants" are not idle. The infants are learning to walk and talk and to know the chief properties of time, space and matter. The older children and young students are preparing themselves for their future as producers and as citizens. As for the wives and widows, perhaps one-sixth of them belong to the middle or upper classes and keep one or more servants. Not all even of these, "as every woman knows", deserve to be called idle. The remainder are working housewives, many of them occupied, in their own picturesque phrase, pretty nearly "all the hours God sends" with cooking, cleaning, sewing, nursing and otherwise tending the home, husband and children.

¹ "Occupied" in the sense used here means engaged in work of some kind for which money return is made.

After this analysis, the “parasitic” portion of the community does not seem so very large after all, though probably a little larger than it suggests, because some people return themselves as members of callings which they have, in fact, ceased to practise or never more than played at.

But our concern is with the mothers and children. How are they maintained? The answer is, of course, broadly speaking, by their husbands and fathers. Neither group, as such, has any part or lot in the general scheme of wealth distribution, which shares out the national income among those who lend their land or capital and those who give their labour of brain or hand, in any one of the services which have established their right to remuneration. It is assumed that the wives and children will be kept out of the share of those who have taken on themselves the responsibilities of marriage and fatherhood, and that somehow or other—through the interplay of economic forces or the rough and tumble of wage negotiations—the level of men’s remuneration will be high enough to make this possible. The consequence that follows—that men without families should draw sufficient for the maintenance of a family—is also assumed as a matter of course, without much argument, but with some natural complacency on the part of those who will profit by the arrangement.

All of us, men and women, and our parents and grandparents before us, have grown up under this system, and it seems to us part of the order of nature. So indeed, in a rudimentary form, it is. In the nesting season the male bird feeds his mate and their young. But the period of immaturity among human beings—always much longer than among animals—has under civilisation been greatly prolonged by the double action of changes in methods of production and the steadily rising standards for the education and protection of children. “When Adam delved and Eve span” who was then the dependant? No doubt Cain and Abel at a very early age helped their parents to produce everything that the family consumed. Through the ages much the same division of labour continued, the husbands’ work being mainly outside the home, the wife’s inside it—spinning, weaving, sewing, baking, brewing, compounding medicines and preserves, the children helping generally. No doubt the large number of children born—about half of whom died “before the age of manhood”—kept the mother pretty busy. Cantillon—a French writer of the early eighteenth century, described by Jevons as the founder of modern political economy—estimated that on this account “the poorest labourers must, one with another, attempt

to rear at least four children, in order that two may have an equal chance of living till that age", and that the labourers ought to earn at least double their own maintenance in order to provide for those two—"the labour of the wife, on account of her necessary attendance on the children, being supposed to be no more than sufficient to provide for herself".¹

Sir William Petty, another very early writer, suggests seven as the age below which children, generally speaking, might be expected to be maintained by their parents. But Defoe waxed enthusiastic over the conditions he found in 1724 in the homes of the Yorkshire cloth-makers—one of the country's most important industries—where "scarcely anything above four years old but its hands were sufficient for its own support".²

The Industrial Revolution gradually changed the manufacturing population from country-dwellers into town-dwellers, from producers for consumption into producers for exchange, from home-workers into factory-workers. All through the nineteenth century the struggle went on which gradually drove children out of the factories into the schools, until at last one of the principal reformers, Lord Shaftesbury, thought that the matter was going too far and—pleading with the House of Lords to reduce the age proposed by the Education Act of 1870 from thirteen to ten—declared that "the extent to which persons in London depended on the labour of their children, your Lordships could hardly be aware of".

Meantime the mothers too, by the changes in processes and customs which had substituted factory-made for home-made goods, had been relieved one by one of their services to production, without perhaps—owing to the greater complexities of town life and the rising standard of living—feeling their work much lightened. Their own view of the matter is illustrated by the remark made to the late Miss Anna Martin by one of her guild members at Rotherhithe:—

"When I was ten years old I was helping my parents by gathering stones for the farmers; now I send four girls to school every day with starched pinafores and blackened boots. Except on Sundays, my father never had anything but bread

¹ Quoted and endorsed by Adam Smith, *Wealth of Nations*, Book I, Chapter VIII. Many of the advocates of Family Allowances also suggest, but for a different reason, "that at least double his own maintenance" should be the basis of the minimum wage.

² For numerous instances of very early wage-earning see my *Disinherited Family*, Chapter I; Harrison and Hutchins's *History of Factory Legislation*, or almost any book on that subject.

and cold bacon, or cheese, for his dinner; now I have to cook a hot dinner every day for the children and a hot supper every evening for my man.”¹

There was one fact about the double change which seems to have escaped the observations of the reformers, and even of the economists who looked on—viz., the immense increase in the productivity of labour which it postulated. If the wives and children who were relieved of their services to production were to be kept out of men's wages at a satisfactory level, not only must the man earn as much as the whole labouring unit of the family earned before, but also—as wages themselves clearly cannot vary with the number of a man's dependants—a man without wife and children must earn enough for an imaginary family. That the wages of the fathers would adjust themselves somehow to their increased burden was indeed assumed by the reformers. It was justified to some extent by the current doctrine of the economists, that the lowest level of wages was determined by the amount necessary to enable labourers “to keep up the population”. The economists were vague as to the size of family needed for this purpose, and did not attempt to explain with any precision by what force labourers of one generation are compelled to ask, or employers to concede the rate of wages needed by the very small minority of labourers who are responsible, at any one time, for the size of family necessary to keep up the population of the next generation. They seem to have thought of family dependency—as indeed many of them and the public with them have gone on doing ever since—as though it were a universal static condition, instead of a moving cycle of conditions, and never even asked themselves whether there is not perhaps a more efficient and less wasteful way of providing for the rearing of future generations than one which involves budgeting for millions of phantom children, while making no provision for a large proportion of those who really exist. Nor apparently was there any attempt to measure the web of production and ask whether it could conceivably furnish cloth enough to cover all those ghostly backs.

The difficulties of the problem were veiled from the nineteenth century by the fact that the period was one of rapidly increasing wealth, due to scientific progress, and also of a growing assertiveness on the part of the wage-earners, so that they were able to keep their

¹ “The Married Working-Woman”, *Nineteenth Century*, December 1910, pp. 1105–6.

footing on the slope of distribution.¹ Real wages rose until about 1898, and then became stationary.

During the first quarter of the twentieth century the public conscience was stirred by the enquiries of several sociologists into the actual conditions of life in wage-earners' families. The best known of these were Mr. Charles Booth, Mr. Seebohm Rowntree and Dr. A. L. Bowley. Through a series of group investigations in London in typical industrial towns and in rural areas, these writers brought home to all who chose to read the huge mass and widespread distribution of extreme poverty. Mr. Rowntree and Dr. Bowley also revealed the fact that the sharpest incidence of that poverty was in families with young children, and that the great majority of the adult male wage-earners² failed to secure a wage adequate for the needs of the supposed "normal family" of man, wife and three children. Taking as the definition of "primary poverty" an insufficiency of income, however carefully expended, to meet the needs of healthy physical existence—ignoring, that is, poverty due to defects of character such as thriftlessness or intemperance—they discovered that in about three-fourths of the households found to be living in poverty of this kind, the cause was simply that the wage of the breadwinner was too small to cover the wants of the size of family actually dependent on him. Unemployment, sickness, accident, widowhood and old age together accounted for the remaining fourth.

These were pre-war figures. Later enquiries, some by the same and some by other investigators, revealed certain changes. The wage of unskilled labour had risen; the birth-rate had fallen; unemployment had enormously increased. Yet since unemployment benefit and assistance take some account of the needs of families, as wages do not, the proportion of families in primary poverty was found in the mid-twenties to be considerably less than in the so-called prosperous years immediately before the World War. In certain other respects, however, the findings of those early investigators have been repeated with only slight variations by all their successors up to the present day.

It is still true, as Sir William Beveridge affirmed in a letter to *The Times* of January 12th, 1940, that "the greatest single cause of

¹ But not to improve it. See Stamp's *Wealth and Taxable Capacity* pp. 78 *et seq.* It seems to follow from his argument that the earnings of the wives and children were really lost to the workers, though this was veiled by the increase in real wages due to increased wealth.

² About 90 per cent., according to Mr. Rowntree's "Human Needs" standard.

poverty in this country is young children". It is still true that the chief incidence of poverty is on the children. The achievement of "a living wage" adequate to the needs of a supposed "normal family" of man, wife and three children is as much a will-o'-the-wisp as ever, for though real wages have risen considerably since the first decade of this century, standards of life have risen also, and no more recent investigator could venture to lay down quite so low a subsistence standard as that assumed by Mr. Rowntree in his earlier—though not in his later—books. Here is his own description of the kind of existence demanded by that standard:—

"A family living upon the scale allowed for in this estimate must never spend a penny on railway fare or omnibus. They must never go into the country unless they walk. They must never purchase a halfpenny newspaper or spend a penny to buy a ticket for a popular concert. They must write no letters to absent children, for they cannot afford to pay the postage. They must never contribute anything to their church or chapel, or give any help to a neighbour which costs them money. They cannot save, nor can they join sick club or trade union, because they cannot pay the necessary subscriptions. The children must have no pocket-money for dolls, marbles, or sweets. The father must smoke no tobacco nor drink beer. The mother must never buy any pretty clothes for herself or for her children, the character of the family wardrobe, as for the family diet, being governed by the regulation: 'Nothing must be bought but that which is absolutely necessary for the maintenance of physical health, and what is bought must be of the plainest and most economical description.' Should a child fall ill, it must be attended by the parish doctor; should it die, it must be buried by the parish. Finally the wage-earner must never be absent from his work for one day."

Not that even the un-expecting, patient poor of the nineties actually lived like that. It has always been useless to expect those who are living like ill-housed animals to practise the austerities of saints and anchorites. On their one luxury—drink—the men of that day spent a larger proportion of their incomes than do those of to-day. But the scale of expenditure postulated by later enquirers as necessary to meet living needs, and consequently the level of income below which a household is counted as living in primary poverty, are still low enough to verge on unreality. A trifle for "sundries" or "personal expenditure" is usually allowed for, but probably

less than the proportion of income so spent in the great majority of poor households. Hence it is well to remember, in studying the figures given below, that the percentage of children in the households surveyed who were actually getting less than enough nourishing food to develop their bodies was almost certainly larger than the percentage counted as living in poverty.

Bearing this in mind, consider the results of surveys conducted in different years, by different groups of investigators—usually experienced social workers connected with the local University or Settlement, not of extremist opinion and usually erring on the side of under- rather than over-statement. The expenditure on food necessary for health was in nearly all cases based on estimates worked out by an expert committee of the British Medical Association.

Percentage of Families and Children Living in Primary Poverty—i.e. on Incomes Insufficient to Provide the Bare Necessaries of Healthy Subsistence.

| | | <i>Families.</i> | <i>Children.</i> |
|------------------------------|-----|------------------|------------------|
| Merseyside Survey (1929–31) | . . | 17·3 | 24·5 |
| Southampton Survey (1931) | . . | 21·0 | 30·0 |
| Sheffield Survey (1933) | . . | 17·1 | 26·9 |
| Miles Platting Survey (1933) | . . | 9·0 | 28·0 |
| Bristol Survey (1937) | . . | 11·9 | 21·4 |

The Merseyside Report, based on a study of 6,780 families selected by random sample from the working-class population of four large contiguous boroughs, showed that among the families living below the poverty line, less than $10\frac{1}{2}d.$ was spent per man-unit per week on dairy produce; less than $5d.$ on vegetables or fruit. The milk expenditure amounted to $5d.$ per head per week. One family in six purchased no liquid milk; 90 per cent. of the families bought no butter, 60 per cent. no fruit. Yet even among the unemployed families in this group, though their incomes fell short of their minimum subsistence needs by an average of $4s. 10d.$, an average of $3s. 4\frac{1}{2}d.$ was spent on items not included in that scale. The heaviest of these items was $1s. 8d.$ for trade union subscriptions, burial clubs, etc., and the only item that could conceivably be called extravagant was $8d.$ per family for alcohol and tobacco. The Report says:—

“It is surprising how far the factor of varying dependency accounts for the difference between poverty and destitution. Compared with these two factors, dependency and unemploy-

ment, the figures suggest that differing rates of wages have a relatively small influence on the economic position of families.” (Vol. I, p. 123.)

The Bristol Survey covered 4,491 families chosen at random from the manual workers, black-coated workers being included only if they earned less than £5 per week. It was carried out in one of the most prosperous of British cities during one of its best years since the great slump of 1931. The standard used made no allowance whatever for expenditure on sickness, recreation, holidays, savings for old age or burial, furniture, household equipment, tobacco, drink, newspapers or postage. Yet the result showed that “one working-class child in every five comes from a home where income is insufficient to provide a bare minimum standard according to the austere survey rules”.

But the largest-scale and best-known of these recent measurements of poverty is that of Sir John Orr, one of the greatest authorities on the subject.¹ He reached the startling conclusion that half of the entire population, including nearly three-fourths of the children, enjoy incomes of less than 20s. per head per week and spend under 9s. per head per week on food, which is below the sum necessary for the maintenance of health at the standard laid down by the League of Nations Committee on Nutrition; further, that 14 per cent. of the population are living on incomes of less than 10s. per head per week; that this group includes over a quarter of all children under 14, and that the diet available on these incomes averages in cost only 4s. per head per week and must at that price be insufficient in every constituent necessary to health. An *average* of 4s. means, of course, that many children must be getting fed on less.

Recently I heard the headmaster of a large London school explain how satisfactorily he had managed to feed his evacuated big boys on the Government allowance of 8s. 6d. or for single children 10s. 6d. a week. He evidently considered it something of an achievement even at country prices, and the Government has since raised the allowance for each child over 14 to 12s. 6d. Had he considered the problem of how his boys' mothers managed if they happened to belong to the class which can only afford 4s. a head (the adults of the family included) for food? Perhaps they actually spent rather more by economising on such items as soap, tooth- and hair-brushes, combs, and household cleaning; and perhaps such

¹ *Food, Health and Income*, 1934.

economies partly explain the dirty and verminous condition of some of the evacuees which so shocked the respectable hostesses of the reception areas and the sympathetic public to whom they made their complaints. Most people were disposed to blame the parents, and especially the mothers. The more thoughtful felt that there must be something wrong about a social or educational system which results in or permits a considerable section of the children to be brought up with the habits of savages or ill-trained animals. But, in fact, most mothers even in "the slums" manage better than that, and the minority who do not cannot quite escape blame. It is, indeed, astonishing how well the majority succeed in coping with their task of making bricks without straw. The figures already given as to sheer insufficiency of income are the best answer to those who try to salve their social consciences by repeating stories about parents who feed their offspring on a diet of fried fish, tinned salmon, pickles and the like. But here is additional evidence on high authority.

The British Medical Association Committee on Nutrition, after examining a number of budgets obtained from working-class families, came to the conclusion that:—

"The average housewife, with no expert knowledge of calories, proteins, etc., does in fact purchase by rule-of-thumb methods foodstuffs which broadly approximate to dietaries considered by physiologists to be satisfactory." But this "is subject to her purchasing powers proving adequate to the needs of her family".

The Merseyside Survey reported unexpectedly little evidence of expenditure in very poor families on tinned foods, with the exception of condensed milk and corned beef bought by weight as the cheapest form of meat.

A hospital almoner who attempted to draw up food menus for very poor families found that they approximated so closely to what was actually provided at the income levels covered that she abandoned her project.

The truth is that the health-giving foods such as milk, butter, fresh vegetables and fruit, and of course butcher's meat except in minute quantities, are hopelessly beyond the reach of all but the aristocracy of working-class housewives. So they fall back on tea, bread, margarine, potatoes and onions—too seldom, it must be confessed, on porridge and vegetable soups—and make the cheap but filling meals they provide palatable by tasty titbits which involve

little demand on coal or time. The well-to-do mother who thinks she could do better should experiment for a week or two on keeping her husband and growing children on a diet costing 4s. or less per head per week, remembering that, to make the experiment fair, she should simultaneously perform all the duties of cook, housemaid, laundress and nurse to her entire family and should use only one small coal fire and oven and a few of the cheapest kinds of pots, pans, brushes and other household implements.

The figures so far given concerning the extent of poverty and malnutrition are all previous to the outbreak of war. Conditions are now changing too fast for comparable figures to be possible. But we shall consider later how far deterioration in these respects arising from restricted supplies and higher prices is likely to be checked by price control or higher wage rates or both.

In these dark days, when pain of body and mind in acute and terrible forms has become so common that we have all become hardened to hearing of it if not to enduring it, the aspect of these poverty statistics which arouses most interest is not the suffering which malnutrition causes to individual children and their parents, but its effects on the future well-being of the nation as a whole. And that indeed is what really matters. It is probably a mistake to suppose that the under-nourished child suffers acutely from hunger. Its stomach becomes habituated to the quantity and quality of the food it receives, which is generally of a bulky and filling kind. But the effects of an inadequate and ill-chosen diet are permanent. In the words of an official report ¹ which usually errs on the side of over-optimism rather than pessimism:—

“ A diet may be very defective and yet, if sufficient in amount, may satisfy children’s appetites leaving no craving behind, and may maintain apparently normal vigour for a considerable time. The inevitable results of such a diet are, however, ultimately to be seen in its failure to promote a full measure of growth, in lessened immunity to disease and possibly in the presence of some form of ‘ deficiency ’ disease.”

“ It is the physical impairment of the pre-school child that mainly creates the problems of disease in school life. Some of it is minor and disappears in the growing child, but much of it is major, due to poor nutrition or the neglect of the beginnings of ill-health, and it is never caught up or remedied.”

¹ *The Health of the School Child* : Report of the Chief Medical Officer of Health to the Board of Education, 1931.

Illustrations of the truth of these general statements can be found in the contrast between the heights and weights of school children belonging to the well-to-do classes and those of the poor. For example, Dr. Spence carried out for the Newcastle City Council an investigation into the physical condition of 125 children taken from the poorest classes as compared with that of 124 children of the professional or well-to-do commercial classes. It was found that nearly 50 per cent. of the poorer children were below standard height and more than 50 per cent. below the standard weight. The corresponding figures for the better-off children were 5 per cent. and 13 per cent. With regard to anæmia, only 20 per cent. of the poorer children passed the "satisfactory" test, and 23 per cent. were found to be definitely anæmic. According to the standard set, there was no anæmia among the better-off children.

Again, a comparison made between the physical development of boys of 15 in four public schools and in a South London riverside district showed that the public-school boys (who were getting about half as much food again and that in a more nutritious form) were on an average 15 or 20 lb. heavier.¹

More recent evidence comes from the reports received from all over the country of the improvement in height and weight of the evacuated school children. Country air may have had something to do with this, but much of it no doubt is due to the change from a 4s. to an 8s. 6d. standard of feeding.

Mr. Le Gros Clark and Mr. Titmuss, in their book on *Our Food Problem* in the Penguin series, quote figures from the official Army returns showing that the percentage of would-be recruits rejected on grounds of health or some physical disability was actually lower during the years 1901-11 than during the years 1913-35 although there does not seem to have been any material change in the physical standards applied. In 1935 nearly half of those who presented themselves in England and Wales were rejected either on sight or within six months after enlistment. This is a startling figure.

Interesting testimony as to the effect of diet comes from a recent report of a Medical Officer attached to a large industrial firm:—

"It can be said without hesitation that the majority of the physical disabilities on account of which a girl or a man is refused a job would not have been present had they received adequate and sufficient food from birth. For instance, for

¹ *The Health of the School Child*, 1927.

every hernia that is discovered, there are dozens of cases of extreme short-sight, or extreme caries of the teeth, of frail chests, or of a combination of minor weaknesses, forming in the aggregate the poorly developed, sickly person who cannot do much work without falling ill.

“The relation of the physique of the young worker to the available food supply stands out clearly when one examines the only child of a family. It is astonishing, in my own experience, how these stand out as physically superior to the adolescent in a family of more than two or three children. . . . Working-class parents have come to the unhappy pitch where they can only have one or two children if they are to afford an adequate diet for them. This is a major national catastrophe. . . .”

But the most vivid illustration of the effect of diet on health is perhaps the following account of an experiment on rats carried out by Sir Robert McCarrison:—

“Two groups of young rats, of the same age, were confined in two large cages of the same size. Everything was the same for each group except food. One group was fed on a good diet composed of milk, and the products of milk, pulses, fresh green leafy vegetables, fruit, eggs and a limited amount of meat. The other was fed on a diet in common use by many people in this country: a diet consisting of white bread and margarine, tinned meat, vegetables boiled with soda, cheap tinned jam, tea, sugar, and a little milk: a diet which does not contain enough milk, milk products, green leaf vegetables and whole-meal bread for proper nutrition. This is what happened. The rats fed on the good diet grew well, there was little disease among them and they lived happily together. Those fed on the bad diet did not grow well, many became ill and they lived unhappily together; so much so that by the sixtieth day of the experiment the stronger ones amongst them began to kill and eat the weaker. The diseases from which they suffered were of three chief kinds: diseases of the lungs, diseases of the stomach and intestines, and diseases of the nerves—diseases from which one in every three sick persons among the insured classes in England and Wales suffers.”

Even from a purely financial point of view, malnutrition yielding results like this is an extravagant form of economy. Consider what ill health costs the nation. Sir Francis Fremantle estimates the

cost, including time lost by workers during sickness, at £300 million a year—representing about one-twentieth of the entire national income taken at £5,700 million. The same figure was arrived at independently by that admirable body of investigators, P.E.F.P. (Political and Economic Planning), in their Report on the Public Health Services, 1938.¹ I shall show later² that for a fraction of £300 million, varying according to the scheme from a third to a thirtieth, Family Allowances could be provided which would eliminate underfeeding due to poverty among the children covered by the scheme. And that would be only one of its advantages, for it is a fatal mistake to suppose that direct provision for children is merely a device for curing poverty due to child dependency.

¹ See also "Britain's Health," a Pelican Special based on this Report.

² See p. 58.

CHAPTER III

THE REMEDIES

I HAVE tried to show that the present method, or rather lack of method, of providing for dependent families works out badly; that it is injurious to happiness, character and health and is a principal cause of that widespread poverty which disgraces this country, one of the wealthiest in the world.

What are the remedies? There are four which are commonly put forward and may be considered as possible alternatives to that of direct provision for children through Family Allowances. These are:—

1. To rely on the wage-system, raising wages and salaries through the ordinary methods of collective bargaining aided by labour legislation, so that they shall be sufficient to enable men to keep their families at the standard normal in their occupations and grades. Or, in the precise form put forward by Mr. Rowntree and at one time favoured in labour circles, to secure at least a minimum wage which will cover the "human needs" of a "normal" or "average" family supposed to consist of man, wife and three children.

2. To meet the extra temporary needs of child dependency through an extended system of communal services in kind—school meals, milk, etc.

3. To ask individuals to solve the problem for themselves by producing no more children than they can adequately maintain on their actual incomes.

4. To keep down the cost of living by controlling prices, whether by Government subsidies or by limiting profits. This proposal is usually put forward only as a war-time measure and has only come into general discussion since war became a certainty.

Let us see how far these devices are likely to provide a solution.

1. *Why "a Living Wage" is not the Cure.*

I have already hinted that this proposal is a will-o'-the-wisp, likely to lead the workers nowhere but into a morass of muddled thinking and frustrated endeavour. I shall proceed to show:—

First, that even if such a "living wage" were achieved, a large proportion of the families with children would still remain under-nourished and in poverty;

Secondly, that it has never yet been achieved in this country even in the most prosperous years, nor—allowing for differences in standards of "human needs"—in any other country;

Thirdly, that it has no prospect of being achieved within measurable distance of time.

The fact is that there is no such thing as a "normal family". At the time of the 1921 Census (that taken in 1931 was in a form which yielded no exactly comparable figures) only 6·2 per cent. of the men over 20 in England and Wales were married with just three children under 16 years of age; 60·6 per cent. had no such children; 26·55 per cent. had fewer and 6·7 per cent. more than three. The average number of children per man was less than one, actually 0·88.

But the families with over three children, though a small group, included 37 per cent. of the children, and Mr. Rowntree calculated that no less than 54 per cent. were members of such families during five or more years of their childhood. During the subsequent twenty years the falling birth rate has reduced still further the proportion of children per man, and the results of a recent survey of York by Mr. Rowntree indicate that a wage based on the needs of a family with three dependent children would result in only 55 per cent. receiving just what is necessary, while 91 per cent. would get more and 3·9 per cent. of the families less than enough to cover their basic needs. But this last group would include at any one time 23 per cent. of the children and, as before, a much larger percentage for part of their childhood.

Many people will reflect that even if the normality of the five-member (three children) family is a fiction bearing little relationship to the facts, it would be all to the good if adherence to it did produce a surplus for 91 per cent. of the families concerned. No one, in a wealthy country like ours, ought to be compelled to live at subsistence level. This perfectly true reflection probably explains the tenacity with which a section of the Labour movement, and especially of the trade unionists, have clung to the objective we are now considering, ignoring its unpleasant results for families. To put it plainly, some of them have hoped to repeat the success of a hundred years ago, and to win the battle for higher wages, as their forefathers won the battle for shorter hours and better hygiene in factories, from behind the skirts of the women and children. Be-

lieving, as I think rightly, that they were in justice entitled to a larger share of the product of industry than they were receiving, they have sought to strengthen their claim by urging the needs of "our wives and families".

But we are entitled to ask how far they have succeeded in this legitimate aim and what greater measure of success may be expected in the future. And if the answer is unsatisfactory, does not that perhaps indicate that there may have been mistakes in the tactics adopted and that it might be better to try another road?

The facts as to the distribution of the product of industry are certainly disquieting to anyone possessing a social conscience, whether he himself belongs to the "haves" or to the "have-nots". Consider the position as summarised by Mr. Colin Clark,¹ perhaps the greatest of the younger experts on this subject:—

"One tenth of the whole working population (those with incomes over £250) take nearly half of the national income, and a small class comprising $1\frac{1}{2}$ per cent. of the population (with incomes over £1000) take one quarter.

"The share of wages in the national income oscillates with the trade cycle but has shown little change in the last 25 years."

Elsewhere he shows that wages now claim an extra 2 per cent. of the product as compared with twenty-five years ago.

Two per cent. increase in twenty-five years! Yet those years have witnessed the rise of the Parliamentary Labour Party, two short Labour Governments and an immense increase in the membership and influence of the trade unions, the chief of whose many functions is to safeguard and raise standards of living and of remuneration. Have, then, their labours been in vain? That would indeed be a rash conclusion. The position and standard of life of the workers in continuous employment have improved substantially during that period. Money wages, according to Dr. Bowley and Mr. Clark, rose on the average about 90 per cent. between 1911 and 1929. This, however, is a very deceptive figure. From 1914 to 1938 real wage rates rose by approximately 28 per cent. Thus the worker while in employment is substantially better off in terms of purchasing power. But we have to remember that the past twenty years have been marked by much more widespread unemployment and short time, continuous though fluctuating in

¹ *National Income and Outlay*, pp. xiii and 96. (Macmillan & Co., 1938.)

intensity, than anything experienced during the years before 1914. The great majority of the workers have suffered from this themselves for shorter or longer periods, or through relatives whom they have helped to support, and very many have been left with exhausted savings and homes stripped of their plenishings. It remains true, however, that most workers who have been lucky enough to retain their jobs during recent years draw bigger pay than their predecessors for shorter hours worked under less uncomfortable conditions, and can buy more, though at higher prices. They and their families benefit also by much-improved social services, paid for largely by themselves through indirect taxation. But these improvements are mainly the result of the vastly improved productivity of labour, in this and other countries, due to scientific discoveries and improved methods.

Thus the cake to be divided is a larger cake and the share of it which falls to be consumed by the wage-earners is a larger share—actually though not proportionately, except perhaps to the extent of that modest 2 per cent. And for that measure of success the efforts of the organised workers and their leaders are no doubt entitled to much of the credit. Without their efforts, the wage-earners might not have been able even to keep their footing on the slope of distribution. They might have slipped farther down. And they might have achieved even more if more of the workers had been active and loyal trade unionists.

But for all that, it is not a very magnificent result, not when we remember that quarter of the child population which is still being reared on 4s. worth of food or so per week. Many of them, it is true, are the offspring of parents who have been rash enough to indulge in more than three children, and so come outside the objective of the theory of the "living wage". But not all; nor has that objective come anywhere near general attainment. Mr. Rowntree himself has always been an obstinate adherent of the theory, while proposing to provide for the children in excess of three through family allowances. In 1936 he re-calculated the minimum cost of the "normal" family at 53s. weekly for urban and 41s. for rural workers (equivalent in April 1940, to 63s. and 49s. respectively)—that at a standard which allowed no fresh milk, no butter, the cheapest margarine, only one egg a week and home-baked bread. He estimated that baker's bread would cost another 1s. to 2s., and that 6s. should be added to bring the diet up to the optimum standard laid down by League of Nations health experts—i.e., at this standard the minimum to-day would be 70s. for urban and 56s.

for rural workers. Compare those figures with the following estimates of actual earnings:

Mr. Rowntree himself reckons that four out of every ten adult male urban workers were earning in 1936 less than 55s. and one in every three less than 50s.

The minimum enforced by the Agricultural Wages Board in 1937, varying in different areas, averaged 33s. 4d.

Half the male applicants for unemployment assistance in 1937 were earning less than 50s. in their normal occupations.

The railwaymen's claim for a 50s. minimum was rejected by the employers up to the outbreak of War, but later accepted for London with a minimum of 48s. for the provinces.

Mr. Colin Clark, using 1931 figures, gave the *average—not minimum*—wages of postmen as 57s. 6d., of carters and warehousemen as 54s. 5d., of seamen (including keep) as 62s., of dockers 60s.

In face of these figures it is plain that 25 years of persistent propaganda for a five-member-family living wage and all the growing strength of organised labour have not gone far to drag the family coach on to the firm ground of achieved reality.

As to its future achievability, the position has been so much changed for the worse by this second Great War of our generation, that it may seem superfluous to discuss what might have happened if that disaster had not befallen us. But so much attention is being rightly concentrated on the immense inequalities of income as between rich and poor, that while setting aside the much-vexed question of the present-day potentialities of the process of "soaking the rich", it may be useful to remind readers of the broad facts, rather than the actual calculations embodied in the following quotation from a lecture by Sir Josiah Stamp—all the more because the speaker, now Lord Stamp, happens at the time I write to be the chief economic adviser to the War Cabinet.

"For 1919–20, if all individual income in excess of £250 per annum were put into a pool, and from the pool was first taken the taxation being borne by individuals (out of the income so pooled) and also the amount necessary to the community for savings on the pre-war scale, and the balance left in the pool were shared out to all as an addition to spendable income, the addition would not exceed 5s. per week to be added to each family for the first occasion, and probably less afterwards. Some of you may have read that the effect of spreading the

Alps, with all their majestic mass and volume, over the whole of Europe, would be to affect the level of Europe by a few inches only. Similarly, the effect of spreading such a mass as the Himalayas over Asia would be to raise the plains very slightly."

Five shillings per family per week certainly would not go very far to abolish poverty. But supposing that, instead, the addition to the income of every family was 5s. for each child under 15—the proposal I am about to defend, with the powerful support of Mr. Maynard Keynes—is that not a much more attractive proposition, as well as being one realisable by a very much less impracticable form of redistribution than that supposed above?

Before dismissing the figment of the five-member family "living wage", it is worth noting that economic experts in the United States and in Australia, after careful study of the same proposal, declared it long ago to be unachieved and unachievable, and in New South Wales at least the enquiry led to its abandonment in favour of the method of supplementing wages by Family Allowances. Professor Paul Douglas, calculating the cost of maintaining a man, wife and three children at the lowest standard likely to satisfy American standards of working-class comfort at \$1,700 a year (about £410), reckoned that if every man earned this sum and every woman, boy and girl enough for self-dependence, the cost would swallow up 82 per cent. of the entire income of the U.S.A. The remaining 18 per cent. would be insufficient to pay other necessary charges, including wages and salaries above the minimum, rent, interest, savings for industrial development, cost of government, even if all these were cut down to the minimum. He further calculates that the proposed basis would result in providing for forty-five million fictitious wives and children. The facts about the Australian experiment are given in the next chapter.

2. *Why Communal Services will not Meet the Need.*

The section of trade-union opinion which has looked askance at Family Allowances has unquestionably been influenced partly by the fear that such allowances, even if paid for wholly by the State, would "affect detrimentally negotiations regarding wage-fixing", while communal services in kind are believed to be less likely to have that effect. This was the opinion expressed, though they explicitly refused to argue it, by a minority of three out of twelve members composing a Joint Committee of the T.U.C. and the Labour Party Executive appointed in 1927 to consider Family

Allowances and cognate subjects related to the Living Wage. After an exhaustive enquiry lasting nearly a year, the majority of nine had:—

“arrived at the conclusion that the most valuable step that can now be taken to further the welfare of the nation’s children is the institution of a scheme of Family Allowances, to be paid in cash to the mother.”

They recommended a State-paid scheme, limited to children of families below income-tax level, at the rate of 5s. for the first and 3s. for each subsequent child. But the General Council of the T.U.C., by sixteen votes to eight, preferred the Minority Report, and their verdict was endorsed after a brief debate at the Trade Union Congress and subsequently acquiesced in by the Labour Party. That Report, be it noted, did not reject cash allowances on principle or outright. In fact, it recommended that these should be paid “for the first year or two after birth”; but for the rest it preferred, partly on the ground of financial stringency, to concentrate what money might be obtainable on social services.

But is there in fact any truth in the view that communal services are less likely than cash allowances to affect unfavourably the wage bargain? Is not just the opposite more probable? What is certain is that the average member of the well-to-do classes is led by the very vagueness of the term “social services” to greatly over-estimate—not their general utility—but the extent to which they relieve financial obligations which would otherwise have to be made by the wage-earners. Hence, when his attention is drawn to the facts of poverty, he salves his conscience by reflecting that “the poor have so much done for them”.¹

Let us consider therefore how far social services actually affect the question of child maintenance or could be made to do so if their provision were extended. Improved educational, medical and recreational services are clearly beside the point. They do nothing to lighten the burden of providing children with basic necessities, but rather increase it, by extending the period of dependency and giving the children higher standards and bigger appetites. Housing subsidies only benefit the small minority dwelling in houses owned by local authorities, and unless the authority is one of the few which have had the wisdom to concentrate the subsidy on giving rebates

¹ I have scarcely ever spoken to a middle-class audience on Family Allowances without having that remark hurled at me by someone every line of whose body and raiment testified to generous living.

on rent to tenants according to the number of their children or below a certain income level, the houses are usually too expensive for the poorer or larger families.

The only existing social services relevant to our subject are school meals and milk and the supply of milk by Health authorities to mothers and infants. These services might with advantage be considerably extended and there might perhaps be added the provision of school uniforms and school holidays. Before the War, slightly under 2 per cent. of school children on any one school day were getting free school dinners. With the help of a State subsidy of £660,000 per annum,¹ slightly over half the school population received a third of a pint of milk daily for a halfpenny; a minority of them free on a health and means test. The Children's Nutrition Council, an all-party body of which I am Chairman, has for some years been urging that all school children should get their milk ration free—a bigger one if they can take it. We also asked that the meals should be widely extended and supplied free to those below a certain income level and that canteens should form part of the equipment of all new schools. We have further asked that the present meagre provision of free or cheapened milk to mothers and infants through local authorities, which works with very varied success and in some areas not at all, should be replaced by a much larger and more generous scheme. But though these reforms were supported by nearly every important organisation in the country concerned with child welfare, they were not conceded.² What hope is there of better success, especially of canteens as part of new buildings, under war conditions?

But suppose they were achieved, the provision of one meal on school days does not cover Sundays and holidays and, taking the average value of the meals as fourpence, is equivalent only to an allowance of 2s. every school week. It does not benefit the children under school age, nor those in the expensive period when the child is beginning his or her industrial life but is not self-supporting. And communal meals, if provided by a paid staff in properly equipped buildings instead of, as at present, through all sorts of makeshift arrangements at the cost of much labour and discomfort to the teachers, are a doubtful economy compared with money allowances to the parents, though on other grounds there is much to be said for them. After all, the home fire has usually to be kept

¹ October 1938–September 1939.

² Since this was written, the provision of free or cheapened milk has been substantially extended.

burning and the home meal prepared by an unpaid mother for herself and the other members of the household. In spite of the greater cheapness of large-scale buying, comparisons between the cost of institutional feeding and what an efficient working-class mother actually spends, when she can afford it, on serving nourishing meals are seldom favourable to the former kind of provision. The purchase in bulk of food for children in mental institutions costs around 6s. per head per week, quite apart from the cost of preparation, cooking, etc. Young recruits at the pre-war Development Depots (mid-1939) were provided with a diet the weekly cost of which at retail prices has been estimated at 17s. 6d. per head. In their Penguin Book on *Our Food Problem*, Mr. Le Gros Clark and Mr. Titmuss reckon that if every school child on every school day received an ample and varied meal and also a pint of milk, it would probably cost the country about £40 million a year. For little more than that, according to calculations recently made by a competent statistician, the mother of every working-class child could receive 5s. a week for every child in her family under 15 years of age except the first. Which do you suppose the mother would prefer?

I have not much doubt, for, to say nothing of the one-third of the children who are below school age and the days when school does not meet, it must be remembered that a child needs other meals besides dinner and other things besides food. It is difficult to see how the economic burden of parenthood could be substantially lightened by communal provision unless we adopted a system something like that of the Jewish collective colonies in Palestine, where there are no individual homes, the babies are kept in day nurseries, the infants in nursery schools, and the whole family only unites for about an hour a day. I have seen such a colony at the hour of reunion, and it was a pleasant picture. But it is difficult to imagine our individualistic and privacy-loving people taking to such a life, unless of course we were reduced by defeat in war to the position of a nation of serfs.

3. *Limitation of Families not the Solution.*

The third solution of our problem—one which finds favour especially with the more unthinking members of the well-to-do and indeed of all classes—is that of later marriages and limitation of births. In the early days of the movement for Family Endowment, as we then called it, perhaps the most formidable argument we had to meet was that based on the belief that Great Britain was over-

populated and that allowances for children would lead to an increased birth rate, especially among the poorer parents and those least able to give their children a desirable environment. Our reply was that this could hardly happen, because this class did not practise birth control and already produced almost as many children as Nature permitted. Restriction of families was already taking effect, but only in the upper, middle and artisan classes and among the abler, more ambitious and more far-sighted of the parents. Of all this there was ample proof.

Since then the position has changed. Knowledge of contraceptive methods, though not universal nor the methods universally practised, has spread steadily downwards. The birth rate, with only slight fluctuations, continued to fall until 1933, and since then has remained fairly steady. Though this country, or at least the urban part of it, may be said to be overcrowded, the fear of all who have seriously studied the question is now that the population may decline to an extent which will menace our prosperity and our security as a nation and the headquarters of an empire. The danger is still in the future, but it is coming unpleasantly near. Here are some of the facts.

We have already about the lowest birth rate in Europe—lower than that of France, which formerly led the race towards national suicide. In the words of Mr. Carr Saunders, one of the chief experts on the subject and now Director of the London School of Economics, “we are not only not reproducing ourselves but are between 25 and 30 per cent. below replacement rate”. As to future population, two estimates worked out on different assumptions by Dr. Enid Charles seem to be generally accepted by statisticians. She calculates that, if fertility and mortality continue to be at the levels of 1933, within a century the population would have fallen below 20 millions; but if both continued to decline as the trend of the previous decade indicated, the figure would be under $4\frac{1}{2}$ million. These of course are hypothetical estimates, not prophecies. Mr. Colin Clark surmises that a figure somewhere between the two is probable. But the War is likely to affect the figures. It is estimated that the war of 1914–18 resulted in about half a million fewer babies being born than would have otherwise seen the light.

Nor do these changes in the character of the population concern only a distant future. The number of children under 15 in England and Wales has already fallen from a peak of about 11 millions in 1911 to just under 9 millions, while the number of people over 65

has almost doubled. The proportion of old to young is so changing that whereas half a century ago children under 15 were 35 per cent. of the population and old people under 5 per cent., to-day the corresponding proportions are 22 and $8\frac{1}{2}$ per cent., and it is estimated that by 1971 the old will probably slightly outnumber the children.¹

Another point to remember is that population depends on the death rate as well as on the birth rate, and that the former is powerfully influenced by poverty and malnutrition. The Registrar-General's figures for 1938 group the occupied population into five social classes and show that mortality rates fall steadily with each rise in the social ladder. It has been calculated from these figures that if in 1930-32 the mortality rates found in the class consisting of employers, managers, shopkeepers, etc., had prevailed in the classes showing higher rates, the annual number of deaths would have been fewer to the extent of 15,000 infants under one year, 6,000 wives, 2,000 single women and 19,000 adult male workers.

Some readers may reflect that an England with half or even with a tenth of its present population would be a much pleasanter place. But that is doubtfully true when one remembers how closely the phenomena of decay in a nation resemble those of decay in the individual. A country of disused factories, closed shops, empty houses, many bathchairs and few perambulators might not be a particularly cheerful place. Nor are families with one or two children the happiest or the most wholesome kind of families for the children or the parents. Also, a nation with powerful neighbours who have not chosen to decay casting envious eyes on its empty spaces at home and abroad may not be a very safe nation to belong to, as Sweden—once an Empire—is finding now. Let future generations, you say, look after themselves. But we owe it to posterity at least to reflect that it cannot be good for the world nor for ourselves that the proportion of the white races to the coloured and of the Anglo-Saxon race to all others should be a steadily dwindling proportion. One may admit that without being either an imperialist or a militarist.

But the danger does not lie only in a remote future, as our enemies themselves have noted:—

“The German *Army Year Book* for 1937 pointedly remarks that ‘England’s position in the world through the way her population is developing is seriously and almost irretrievably threatened’, and the writer goes on to comment that by 1950

¹ These figures are taken from a P.E.P. broadsheet of April 1940.

Germany will have at her disposal 12,994,000 men of military age between twenty and forty-five, whilst Great Britain will have only 8,721,000.”¹

4. *Price Control or Higher Wages not the Solution.*

I have supplied evidence of the extent of poverty and malnutrition and of the declining population during the past decade. Obviously these evils will be aggravated by war conditions unless more effective steps than at present are taken to prevent it. These conditions are changing too rapidly for exact measurement. But already the effects of the rising cost of living have been brought home to everyone. At the end of the first seven months of the war, retail prices had risen, according to Board of Trade figures, by 17 per cent. There is reason to think that 20 per cent. better represents what the working housewife actually pays. This has happened in spite of a Government subsidy which is costing the State about £60 million a year for the purpose of pinning down the prices of only four commodities—meat, milk, bread and flour—to the level they had reached by the end of 1939. Yet we are officially warned that the price of milk is certain to go up again this summer, and neither milk nor meat, as we have seen, figured much in the budgets of the poor even at pre-war prices.

Moreover, even if price control can be strengthened and extended to all necessities, whether by Government subsidy or by restricting profits, it has some grave disadvantages. First; the better it effects its own purpose, the more it tends to defeat another purpose which the Government have in mind—namely, the cutting down of all unnecessary buying so as to free more ships, more labour and effort, for the importing or production of those things which are necessary to winning the war and for the exporting of commodities which will help to pay for our imports. Secondly, control of prices, though in some forms it may be necessary to stop profiteering, obviously helps most those who can afford to purchase most—namely, the well-to-do. Thirdly, even if limited to necessities, price control favours the purchase of luxuries by freeing more money for it. If the wealthy housewife pays less for her bit of sirloin, she can better afford a dish of asparagus to follow it.

By contrast with all that, if whatever the Government could afford

¹ *Our Food Problem*, by F. Le Gros Clark and R. M. Titmuss (Penguin Special).

to spend on encouraging rather than restricting consumption were concentrated on Family Allowances, the benefits would go to those who can least afford to cut down their purchases without incurring socially injurious results, and who normally spend and would continue to spend the highest proportion of their incomes on necessities rather than luxuries—namely, the families with dependent children.

The same range of objections applies to the other possible method of counteracting higher prices—that is, by increased wages and salaries. That too is likely to work out on the principle of “To him that hath shall be given”. Higher rates of pay had already been achieved in the first four months of the War by many sections of wage-earners and of professional people. Board of Trade figures show that at the end of December some $4\frac{1}{2}$ million persons were earning on an average 3s. 6d. per head per week more. From December to April 1940 there have been further increases to other sections of the population on a similar scale, and in the case of many of the war workers on a much higher scale. Many of these increases have taken place as a result of the rise in the cost of living. None of them, however, takes account of the workers’ dependants. Who are these people who have had their weekly incomes raised? Chiefly those working directly for the Government or for firms taking Government contracts, or in occupations where the workers are strongly organised. That will not help the many in occupations which are hard hit instead of benefited by the War. They will only feel the results through higher taxation, for one of the consequences of extended war employment is that firms working for the Government have little motive to resist claims for increased pay, since the terms of their contracts are based on their production costs, including labour costs.

But suppose that as more and more men are absorbed by the Army and by war industries, competition for the remaining workers becomes keener and they too are able successfully to press for higher pay. That was what happened in the last war, and we know the result. We called it then, “the race between wages and prices”. The new name for it is “the vicious spiral”. Higher wages mean higher costs of production; that leads to higher prices; then a further rise is demanded to meet these, and so on. Of course if wage increases could be met entirely by reducing the profits of manufacturers and retailers without affecting prices, that would be satisfactory, except from the point of view of these gentry themselves and

except for the other disadvantages of price control already mentioned. But there is also this difficulty: that prices are affected by the cost of materials as well as of labour, and this is bound to rise, owing to restricted supplies and increased costs of importation over dangerous seas. That cannot all be taken out of profits.

All this is, of course, not meant to suggest that rises in wages and salaries may not be necessary and desirable, like price control, to some extent and in some forms, nor that Family Allowances are the one complete remedy for "the vicious spiral" or for any of the other evils we have been discussing. We have been repeatedly warned that the War will certainly call for greater sacrifices—in money as well as in life—than any we have yet endured. A P.E.P. Broadsheet on Family Allowances ¹ quotes *The Economist* as saying:

"The total private expenditure of the British people will have to be reduced, in the course of the war, by at least a third. The only relevant question is not whether sacrifices are to be asked from the smaller incomes, but by what means they are to be exacted,"

and makes its own comment:—

"If this reduction is to be carried through with the minimum of social damage it can only be done by taking most from those who need least, namely from the childless."

Before passing to the consideration of alternative schemes of Family Allowances, there is one other result which would flow naturally from the adoption of any of these schemes but could not be achieved by any other of the methods of meeting war-time conditions. This is the putting an end to the present overlap between wages and unemployment benefit or assistance. At present a dilemma confronts the authorities responsible for the maintenance of the unemployed. If these fulfil ministerial pledges ² to meet all the reasonable needs of the unemployed, the scales of statutory benefit and unemployment assistance would exceed normal earnings in a much larger proportion of cases than at present. In fact, both

¹ February, 1940.

² E.g., in the debate on the Unemployment Bill, 1934, the Minister of Labour said: "Under Part II all needs, other than medical needs, will be met irrespective of the rate of standard benefit. . . . It will be possible for the Board to supplement benefit in the case of persons under Part I and they will also be able to meet the whole needs other than medical needs to the extent that the meeting of those needs requires." (*Hansard*, 5th December, 1933, p. 1615.)

scales have always fallen short of meeting even primary needs—including food needs as estimated by the British Medical Association—in all but childless or one-child families, by amounts rising steeply with the number of dependants. But if the allowances for families were raised to bridge the gap, this would swell the already considerable number of the unemployed normally working in the lower-paid occupations who already find themselves quite or nearly as well off as when at work. The Unemployment Insurance Statutory Committee has repeatedly pointed this out. It is a difficulty specially important in war-time, when labour should be as mobile as possible, yet men with families who are offered jobs at a distance from their homes may find that the expense of removing their households or living separately from them would more than swallow up any excess in the pay offered over what they are receiving from the unemployment authorities. There is reason to believe that employment exchanges in some areas are already finding this a serious impediment to the filling of distant vacancies. This difficulty would disappear altogether if employed and unemployed alike received allowances for their children.¹

5. Family Allowances the Solution : discussion of Alternative Methods.

While again repudiating exaggerated claims for this reform, this at least we do claim: that Family Allowances are not only desirable both in peace and in war-time, but are achievable here and now, even more achievable in war than in peace because more visibly necessary; further, that when achieved they will go far to drain the morass of extreme poverty which disgraces our land and will help to check most of the other evils which have been touched on in these pages.

But whether this reform comes to pass will depend not only on the Government, but on public opinion, and if it comes to pass, the extent to which all the results I have claimed for it will follow will be largely affected by the scope, the scale and the methods of the scheme which is adopted. Let us now proceed to consider what this scheme should be. The next chapter will show something of the basis of experience on which we can draw in reaching our conclusions. As previously mentioned, the principle of Family Allowances can be carried out in various forms. Broadly speaking, there are three main possibilities, each with advantages and disadvantages and a certain background of successful experiment. I

¹ It has recently been partly met by extra payments to transferred workers.

will anticipate my own conclusions by saying that the conditions of war-time point at present strongly to the first.

1. A wholly State-paid system, applied either to the entire child population or to particular sections of it, supplemented perhaps by other voluntary schemes on a self-supporting basis.

2. A system based on the familiar method of contributory insurance.

3. Schemes, which could only gradually become general, financed by employers through the method of equalisation funds.

I refrain from adding to these alternatives one already in practice to a limited but increasing extent—that of schemes financed by individual employers for their own employees.¹ Such schemes, though doubtless beneficial to these employees and very useful as experiments tending to popularise the idea, would, if made general, be open to an obvious objection from which the other three methods are entirely free. Employers less public-spirited than those who have led the way would be tempted to avoid taking on men with increasing families.

Let us then discuss the advantages and drawbacks of these three methods and their costs.

A State-paid System.

Three great merits may be claimed for this method:—

First, it is the only method that could operate universally and swiftly enough to fulfil the great war-time purpose of preventing the increasing cost of living from hurting those who can least bear it—the families consisting of men in their prime, child-bearing women and the children themselves, who are the hope of the future. A contributory scheme of Family Allowances would be easy to apply to those already covered by national insurance but troublesome to extend to the higher-paid classes. It would be still more difficult to make it extend to workers who are paid by the job or self-employed. Further, a fund would either have to be built up by contributions or be provided by the State before benefits would become payable. The equalisation fund method is still more difficult to apply to any but employed persons and requires an immensely elaborate organisation which could only slowly be worked out and built up.

Secondly, a State system is the only proposal which has hitherto

¹ See pp. 80–81 and Appendix II.

received even a limited measure of approval from organised labour. The Joint Committee of the T.U.C. and the Labour Party, whose favourable verdict has already been referred to,¹ specifically rejected the other two methods. The Independent Labour Party, which had already demanded a State-paid scheme, also objected to any other. So did the Miners' Federation when in 1926 the Samuel Commission recommended the application of the equalisation fund method to the mining industry. But the Miners' Federation voted for the Majority Report of the aforesaid Joint Committee and has always since shown itself warmly friendly to the principle.

I do not suggest that these judgments are necessarily final. Contributory insurance for health and for unemployment when first introduced were also regarded by organised labour with deep suspicion and are now generally accepted as at least a half-way house to something better. This conversion might happen again. But it might be a slow process, and we cannot afford to wait. In this matter at least do not let us repeat the mistake of "too little and too late".

Thirdly, the reason that organised labour prefers a State-paid system is, of course, that this offers a means of reducing to some extent the inequitable distribution of wealth as between the rich and the poor. It would do this only to a moderate extent and in a form unlikely to rouse strong opposition from any but the obstinately selfish, because the benefit would be concentrated on those who need it most, those with family responsibilities, including not merely "the poor", but—if the scheme covered all classes—all who are poor relatively to others in their own class because of the greater family claims on their income. Thus it would avoid the drawback to more drastic schemes of redistribution pointed out by Lord Stamp in the passage previously quoted²—that the largest amount that could conceivably be taken from the well-to-do would, if spread out thin over the whole nine-tenths of the working population who "enjoy" incomes under £250 a year, do little to better their lot.

The insurance method would only effect this purpose to the extent of the State contribution to the cost. The workers' contribution and probably also that of the employers would involve redistribution of another kind—not vertical from the higher- to the lower-income classes, but horizontal as between those within the same class who have or have not dependent children. The same may be said of the equalisation fund method. Though under that

¹ See pp. 46–7.

² See p. 45.

system the employers usually meet the whole cost, and may do it without making any cut in wages, it is undeniable that the portions of the product of industry which they allot to that purpose might otherwise be used for a small flat-rate increase in wages. Hence the French workers, who as we shall see have a long experience of this system, have regarded it, in the words of one of their most trusted leaders, as "purely and simply a redistribution on sounder and more humane lines of the wage bill". It will be seen later that since war became imminent the French Government has liberally subsidised the employers' funds.

Opposition to a State-paid scheme will no doubt be based on its cost. "The nation cannot afford it." What in fact would be the cost and how does it compare with the sums which are being paid out in other efforts to prevent hardship arising from poverty and aggravated by the War? The estimates which follow have been calculated by a competent statistician, Mr. Lafitte, who is of the opinion that the figures represent the maximum cost under each heading. They are based on 1937 figures and, despite the fact that much of the official data necessary for precision is not available, Mr. Lafitte believes that they are all over-estimates rather than under-estimates.

| | |
|---|---------------|
| An allowance of 5s. weekly to every child under 15 in England, Wales and Scotland would cost directly about | £132 million. |
| But owing to the saving effected on the allowances already paid for orphans and widows' children under the civilian Pensions scheme and for the children of those receiving Unemployment Benefit or Assistance—which would remain payable only to the extent that the allowance exceeded 5s.—the above figure would be reduced to | £118 „ |
| If the scheme omitted the first child under 15 in every family, the gross cost would fall to | £63 „ |
| And the net cost (i.e., after allowing for savings as before) to | £55 „ |
| If the allowance began only with the third child, the gross cost would be | £28 „ |
| And the net cost | £25 „ |
| If it covered only the fourth and subsequent children, the gross cost would be | £12 „ |
| And the net cost | £10 „ |

On all the above figures there would or could be actually further substantial reductions through corresponding savings on Public Assistance, Separation Allowances to men in the armed Services,

War Pensions and rebates for children on income tax. Estimates of these reductions are impossible on the existing data. But Mr. Maynard Keynes has suggested that roughly about £20 millions of the cost of the largest scheme (£132 million) would be in respect of income-tax payers and that, assuming the scheme were adopted, "the existing income-tax allowances already cost as much as the new allowances which will take their place; so that there is no additional cost on this head".¹ Further, it should be remembered that during the War the steady rise in the age limit of the men called up would mean a further offset on account of the allowances paid for their children.

Those new to the facts may be surprised at the great preponderance of very small families indicated by these figures, first children being over half the total number (actually 52 per cent.). And this may incline the economically minded to the cheaper schemes covering only large families. It is true that these are the greatest sufferers from extreme or "primary" poverty. The author of the Bristol Survey² reckons that an allowance of 5s. for the third and each subsequent child would in 1937 have reduced primary poverty in Bristol by one half and abolished it for 80 per cent. of the children. But that estimate, it should be remembered, applies to a prosperous year in a prosperous city and assumes an extremely low and austere standard of living needs. It does not allow for the heavy and continuing rise in war-time prices. To limit a Family Allowance scheme to large families is logically defensible only if it can be assumed that wages will be generally sufficient for the necessities of the smaller families. It is true that many things which are logically indefensible may be economically or politically expedient and such a scheme would be better than nothing. It might do for a beginning.

This also applies to another method of reducing cost—by giving less than 5s. a child—say 2s. 6d. or 3s. The saving effected can easily be calculated from the figures given above, and there could be no other reason for fixing a sum below the minimum cost of a child's subsistence needs.

But slow, small advances in reform are not always expedient, especially in war-time. Economists should consider whether a restricted scheme might not fail where a larger one would succeed in helping to check the vicious spiral. Politicians should ask

¹ *How to Pay for the War*, p. 86.

² See pp. 34-5.

themselves whether the time is not ripe for a bold, imaginative effort to cut at the root of a form of discontent which, if it spreads, may seriously impede our war effort—discontent based on a justified belief that, however heavily the well-to-do may seem to be taxed, there is no real “equality of sacrifice” so long as they can buy meat and milk and fresh vegetables to the full extent of their rations and luxuries as well, while the lower-paid have to cut down still further their already insufficient measure of these things and to see their children grow pale and thin for lack of them. And this is likely to be true not merely of those in “primary poverty”, not merely of the large families. The munitions-workers and others in firms working for the Government may be able to satisfy their needs through higher wages. But this may only increase the difficulty for the rest if it means that they help to eat up the restricted supplies at high prices. And to control prices for everybody through price subsidies is like watering a garden in time of drought by lightly sprinkling the whole garden instead of concentrating on the seedlings which are withering for lack of it.

A Contributory Insurance Scheme

The disadvantages of this method have already been indicated by comparison with a really national scheme. Its main advantage is, of course, that the burden on the Exchequer would be reduced, if the scheme followed the familiar lines of Unemployment and Health Insurance, to one-third of a wholly State-paid scheme covering the same sections of the population.

Thus Mr. Lafitte reckons that if a scheme applied only to those in Great Britain now insured for unemployment, the net cost at 5s. per week per child would be £70½ million per annum; the State's share of it £23½ million; and the weekly contribution required from the employers and the adult male workers probably 11d., with half rates from or in respect of women and young persons. (This estimate of contribution rate is only for England and Wales, but presumably that for Scotland would not greatly differ.) To begin payment with the second child would reduce these figures by about 52 per cent., so that the State would get off with a payment of at most £11 million per annum—or less than it is spending on the war every two days.

It is sometimes said that the childless workers would object to contributing towards allowances for “other men's children”. The

same objection was predicted when wives' and children's allowances were first introduced into unemployment insurance. Nothing has been heard of it since. After all, most workers, whether men or women, expect to marry some time. They would not be paying for "other men's children", but insuring themselves prospectively or retrospectively for the support of their own. It is true that this would not apply to those who at the time the scheme was first introduced had already passed the age for probable future parenthood. They ought in justice to be exempted and their share borne by the State as a temporary liability.

Apart from the practical advantages of economy and of using a well-tried administrative method, contributory insurance has in theory the attraction that it seems to mete out a certain rough justice, since it would distribute the costs between the three parties concerned in the welfare of children, regarded as future citizens by the State, as future workers by the employers, and as individuals by their parents and potential parents. Whatever the scheme, the parents would still bear the chief burden of responsibility, of which the money cost of bare maintenance is but a minor portion.

But at least for war-time purposes, the swiftness, universality and equity of a nation-wide method should, I suggest, be over-riding considerations.

The Method of Equalisation Funds or Pools

Equalisation Funds are a French device which rapidly spread to Belgium and became statutory in both countries. Readers will better understand its merits and limitations from my description of the French system in the next chapter. But I repeat that for war-time purposes this method seems to be ruled out as too complicated and therefore too slow. During past years several enlightened British employers have played with the idea of introducing it here, but without success. Realisation seemed nearest when in 1926 the Report of the Royal Commission on the Coal Industry (known as the Samuel Commission) recommended:—

“the introduction of a system of children's allowances—to be paid for out of a single pool, either for the whole industry or for each industry that adopts it—as one of the most valuable measures that can be adopted for adding to the well-being and contentment of the mining population.”

The reply of the Miners' Federation was that they were

“prepared to consider the question of Family Allowances, subject to a guaranteed weekly minimum wage being established, but hold that the funds necessary to provide such allowances should be raised by means of a properly graduated system of taxation.”

The proposal foundered in the welter of the General Strike of 1926, but the impression made, and rubbed in by some of us through a campaign of meetings in mining areas, was shown by the fact that ever since the miners have shown themselves the most favourable of organised industries to the principle of a national scheme.

Briefly, the method of the equalisation fund is as follows. The employers, either in a single industry or in a group of occupations within a given region, arrange to form a fund or pool out of which allowances shall be paid on an agreed scale for their employees' children, usually to the mother. To prevent differentiation against married men, each employer's contribution is based on the scale of his business, sometimes as measured by the total amount of his wage bill, sometimes by the number of his employees, whether married or single, though the contribution in respect of women and juveniles is occasionally smaller than for men; occasionally by the number of hours worked.

This method has the undoubted advantage that it permits a variety of scales and freedom in experiment to suit differences in standard of life or cost of living in different occupations or regions; also differences according to “what the industry can bear”. Its main disadvantage, apart from those already mentioned of its being applicable only to regular employees and too slow and elaborate to meet war-time conditions, is that from the workers' point of view it puts too much control into the hands of employers. But neither this feature nor the lack of State contribution need be regarded as necessarily inseparable from the system. It is remarkable that in spite of these drawbacks the French workers should have come to recognise it, in the words already quoted, as, although “merely a redistribution of the wage-bill”, still “a redistribution on sounder and more humane lines”. We shall see later that this is the general verdict in France and Belgium.

Opponents whether of the pool method or of Family Allowances in general usually point out that wages in both these countries are lower than in Great Britain, leaving it to be inferred that this is in consequence of the system. There is, so far as I know, no evidence

whatever of this, nor that the inferiority, which has always existed, has been increased by the system. Leading trade unionists abroad have explicitly denied that it is so. These opponents usually conveniently ignore the fact that in New South Wales, both before and after the introduction of a State-paid system of Family Allowances, wage rates and standards of life have been and are generally speaking higher than ours.

Having surveyed the three main alternative methods of applying Family Allowances, let me summarise my own conclusions.

The best scheme—best on its merits and most fitted to meet the special needs of war-time—would be a wholly State-paid, national scheme covering the entire child population up to at least the age of fifteen at a rate of at least 5s. per child. It is significant that so great an economist with so wide a vision as Mr. Maynard Keynes thinks such a scheme desirable and practicable. Nor does it necessarily follow from his argument that it should be combined with his own scheme of deferred earnings, provided that it is accompanied by other methods of effectively limiting all but really necessary consumption during war-time.

The next best would be a similar scheme beginning with the second of the dependent children in each family. The cost of this, Mr. Keynes believes, allowing for savings on rebates for income tax, "could be safely estimated at not more than £50 million per annum"—that is, less than we are now spending on controlling the prices of only four foodstuffs.

A scheme beginning with the third or even the fourth child would be better than nothing, since it would do something to relieve the most extreme cases of poverty. But it would do little towards accomplishing the wider purposes of the reform, including the important war-time purpose of preventing the fatal race between wages and prices.

Though a strong case can be made out for the contributory insurance method if applied in peace-time, the prospects during the war period of such a scheme overcoming the administrative difficulties and the political opposition which confront it do not seem bright. Also, unless it could be applied to a much larger proportion of the population than that now covered by other forms of national insurance (such as the poorer of the "self-employed" and salaried workers drawing salaries above the present limit of £250 per annum),¹ it would not go very far to check the

¹ Now (June 1940) raised to £420 per annum.

“vicious spiral”, and would be regarded as unjust by many parents no better off than those covered, who would find themselves helping to pay through taxation for yet another State subvention towards insurance for benefits they do not share.

Nevertheless, provided that the above difficulties could be overcome, I find it hard in my own mind to strike a balance between the advantages of a contributory scheme beginning with the first or second child and one wholly paid for by the State covering all classes, but beginning with the third or fourth child.

For war-time purposes, I regard the equalisation fund method as entirely ruled out by administrative and political difficulties.

Whatever the method chosen, there are certain cautions which should be borne in mind.

First, any scheme too narrow in scope or small in scale will not only fail sufficiently to encourage necessary and discourage unnecessary consumption. Its usefulness will be limited in other ways. It will do little to get rid of the wide divergences between the allowances now made for the children of service-men, war pensioners, civilian widows, the unemployed and the evacuees. Some of these differences are justified by differing conditions. Others are unintelligible, confusing and irritating. A scheme of 5s. for everybody's child would supplant all these allowances, except to the extent that a few of them overtop that sum. Again, an inadequate scheme will have no effect on the birth rate, unless possibly among the very poor, where it is already highest. It will also fail to strike the public imagination as a bold act of social justice and some counterweight to the hardships of war privations.

Secondly, it is to be hoped that, whatever the source of payment, the scheme will not follow the practice in nearly all the above-mentioned existing forms of allowance, of giving a higher sum for the first than for the second, and for the second than for subsequent children. As we shall see later, French and Belgian schemes are invariably and increasingly graded just the other way—upwards, not downwards—and for sensible reasons. Small families need less house-room, are less of an impediment to supplementary earning by the mother, and from a population standpoint need less encouragement than large. But a flat rate is, I think, preferable, and greatly simplifies administration.

Thirdly—and this is a point of great importance—let the payment be made to the mother, unless of course in individual cases there is some good reason against it. Here again, as the next

chapter will show, all the experience of foreign and Australian schemes favours this arrangement. In France it is preferred as a means of emphasising the separation of the allowance from the wage system, to which the French method is closely allied. But in New South Wales it was adopted practically without question or opposition as a just and natural recognition of the mother's position as the chancellor of the family exchequer. The attitude of British Labour, so far as it has declared itself, has been the same. The Joint Committee of the T.U.C. and the Labour Party, which, as we have seen, recommended a national scheme in 1930, were agreed that payment should be to the mother, and this has been the view of the Independent Labour Party, which led the first Labour campaign for our reform.

There is, indeed, something to be said for the inclusion in any scheme of Family Allowances of an allowance for the mother herself. This is already a feature of all the existing State schemes of allowances for Service-men, the unemployed and widows, and in the early days of the family endowment movement we all advocated such a provision. In recent years, however, this proposal was dropped, mainly on the ground that, as even unmarried and childless men—one might add women wage-earners also—need a woman to look after their creature comforts, wages and salaries should be, and for men in most cases actually are, sufficient to cover the living needs of at least two adults. In the case of the young man living at home or in lodgings, who does not usually absorb the whole-time services of his mother or housekeeper, this should leave a margin for saving towards his future home—or perhaps for the amenities of courtship! Hence it seems better to concentrate the only-too-limited funds likely to be available from public sources on children's allowances.

A State scheme, however, need not exclude supplementary voluntary schemes, and these may be necessary if the full advantages of the system are to be reaped, especially in regard to its effect on the quantity and quality of the rising generation. Even if the scheme covers all classes, the promise of an addition of 5s. a week or £13 a year to the incomes of parents in the professional or middle classes may not go far to encourage them to bring another child into the world, and so increase the very meagre contribution which those classes are now making to posterity. Poverty has a relative as well as a positive meaning, and men and women feel themselves poor if they cannot achieve for themselves and their children the

standards—or something approaching them—in which they have themselves been brought up and which prevail among the neighbours and friends of their own class. In the next chapter I describe the few schemes which have already been adopted or discussed by certain professional groups. These sometimes include an allowance for a wife. All such schemes would be immensely facilitated if they were only needed to supplement a State system.

Let us now survey the basis of achieved experiment and prolonged enquiry which forms the background of all these conclusions.

CHAPTER IV

THE HISTORY AND PRACTICE OF FAMILY ALLOWANCES

“ Let us make relief in cases where there are a number of children a matter of right and an honour, instead of a ground for opprobrium and contempt. This will make a large family a blessing, and not a curse; and this will draw a proper line of distinction between those who are able to provide for themselves by their labour, and those who, after having enriched their country with a number of children, have a claim upon its assistance for their support.”

Pitt, speaking in the House of Commons
on an amendment to the Poor Laws,
February 12th, 1796.

SOME new conceptions which are destined, for good or for evil, to

“ Sweep through the dull, dense world, compelling there
All new successions to the forms they wear ”

germinate in a single mind and scatter like seeds or spread like a creeping infection. But when an idea is at once very simple and inspired by needs which have generally but only recently made themselves felt, it is natural that it should spring up in a number of minds spontaneously and almost simultaneously. So it has been with the movement for Family Allowances.

As a movement, it grew up out of the Great War, though individuals had played with the idea long before. I did so myself in a pamphlet written over thirty years ago on the problem of women's wages, which suggested that the only way of solving the difficulties arising out of unfair competition between men and women workers was for Society to “ substitute a system of direct payment of the costs of its own renewal ” for “ the arrangement by which the cost of rearing fresh generations is thrown as a rule upon the male parent ”. As a measure for improving the status of women and the welfare of children, Mr. H. G. Wells in *The New Machiavelli* proposed “ the endowment of motherhood ”; a phrase which for some time provided the movement with a title. Mrs. Sidney Webb,

in her minority report to the War Cabinet Committee on Women in Industry, after discussing and rejecting the idea of a pool scheme financed by employers with a possible State subsidy to cover periods of unemployment, declared her preference for a "Children's Fund—the 'bairns' part' in the national income—to be provided from the Exchequer (that is to say, by taxation) like any other obligation of the community". And as the quotation at the head of this chapter shows, the idea had an earlier and greater progenitor than any of these.

But in 1918 four women and two men, all concerned in one way or another with economic study and social reform and all keen feminists, took to meeting in a newly formed club in Soho for the purpose of working out a scheme of (as we called it) family endowment. We had been brought to the idea partly by our common concern for the dignity and status of motherhood, partly by experience of the admirable effects of war-time separation allowances, partly by the difficulty of otherwise reconciling the claims of women for equal pay for equal work with the needs of mothers and children. The last consideration being much in the public eye at the time, we called the little book which resulted from our cogitations *Equal Pay and the Family*.

It advocated a national scheme of allowances for all mothers and children, paid for by an *ad hoc* income tax. Only two of us favoured an ingenious plan, relegated to an appendix, for State allowances on several different scales, the better-off taxpayers receiving and paying for the higher rates. The little book enjoyed only a modest *succès d'estime*, but resulted later in the formation of a Family Endowment Council (now Society), which has continued the campaign ever since. The President is Professor Gilbert Murray, and the Vice-Presidents include the Archbishop of York, Sir William Beveridge and other distinguished men and women of all shades of political opinion.

So far as we knew in those early days, we were building a castle in the air with no foundations in experience. But actually these foundations were just then being laid in the French city of Grenoble by a group of employers in the heavy-metal industry. Their leader was M. Romanet, a man of fervent piety and large vision. He had first convinced himself by enquiry that several rises in wage rates which had taken place during the War, though they gratified the unmarried workers, left the men with families to feed and clothe no better off, because of the higher cost of living which increased

wage costs had helped to produce. His *pères de familles* grumbled that their households could only afford a litre of wine and a franc's worth of horseflesh a day! M. Romanet persuaded his firm to introduce children's allowances; other firms followed suit, and in May 1918 the first Equalisation Fund (*Caisse de Compensation pour Allocations Familiales*) was founded in the Grenoble metal industry to meet the obvious danger that if asked to pay allowances directly, firms might be tempted to discriminate against married men.

Far away in Australia other minds were working. There the soil for the new seed had been fertilised long before by the accumulated failures of that country's gallant efforts to provide adequately for children through wages based on the fiction of the normal family. These failures led in 1919 to the setting up by the Federal Government of Australia of a Royal Commission on the Basic Wage, and its report, supplemented by other efforts in several of the States, led to the introduction of Family Allowances into the Civil Service of the Commonwealth and a few years later to the establishing of a full State-paid system for the working classes of New South Wales.

Let us now trace the aftermath of these almost simultaneous beginnings.

1. *In Great Britain.*

In our own country public opinion has been slow in awakening to the magnitude of the problem, and it seems as though it will need the sharp lessons of this second Great War to teach the nation the necessity of making adequate provision for the rearing of its future citizens and workers. So far, such provision through State allowances for children has been limited to the children of Service men, war pensioners, civilian widows, the unemployed, the destitute and—through the inverted method of rebates on income tax—the relatively well-to-do. War-time evacuees are the latest addition to this heterogeneous assortment of State-aided families. Provision for the needs of each group is made through a different authority, by different methods and on widely differing scales. The ordinary employed workers, whether professional people, artisans, hefty dock labourers or land workers—just the classes that would seem fittest for parenthood—receive nothing from the State to encourage them to bring more children into the world or to help them to maintain those already here. The development has been typically British—hesitant, haphazard, opportunist, the maxim guiding

Governments being evidently, "If there is hardship, do something before it becomes a scandal. If they aren't satisfied (meaning by 'they' powerful bodies of voters, not mere economists or social reformers or individual sufferers) do a bit more, and promise a Committee to go into it." Perhaps by the time the horseflesh shops begin to open, as they did in the last War, the discontent of our *pères de familles* will become vocal enough to persuade the Government of the truth that the Frenchmen saw twenty years ago.

University Teachers.

Meanwhile, experiments by far-sighted bodies have helped to pave the way. The most significant is that of the London School of Economics, the only University school entirely devoted to the exploration of economic truth. Its Director, Sir William Beveridge, had already become convinced that Family Allowances provide "the only means of preventing the passing of a large part of the next generation through a state of poverty, which stunts their growth". In 1925 he showed his belief that the system had other uses besides that of preventing extreme poverty by applying it to the staff of his own School. Using funds which were available without reducing salaries, he introduced, with the approval of his Court of Governors and the great majority of his colleagues, a scheme applicable to the entire teaching and administrative staff. This gave allowances on a substantial scale, which, after slight changes later, is now at the rate of £30 a year for each child under 13, and £60 for each child between 13 and 23 if receiving full-time education, with proportional rates for part-time teachers. The plan is said to work very smoothly and to give general satisfaction. It has certainly not resulted in excessive fertility, for in 1936 the staff entitled to benefit numbered 106 and the children actually benefiting were only 65.

It is also significant that the extension of this successful experiment to University teachers generally has been considered and approved, so far without practical result, by the Association of University Teachers. This body in 1936 made a careful enquiry¹ into the subject, examined the arguments for and against it, collected evidence by questionnaire from its members as to the number of their dependants, and made rough estimates of the probable cost if a scheme similar in plan and scale to that of the London School

¹ See report published in *The Universities Review*, November 1936.

of Economics were applied to the academic staffs of English and Welsh Universities and Colleges, excluding Oxford and Cambridge. The conclusion reached was that the cost would be something between £75,000 and £90,000, representing between 3·7 and 4·5 per cent. of the total salaries bill of the institutions covered.

The argument which seems to have carried most weight with the Council of the Association was that a system of Family Allowances would be

“the most economical way, and in the present financial position of the Universities the only practicable way, of enabling all university teachers to meet their responsibilities as parents without making sacrifices detrimental to their cultural life and to their usefulness as teachers and research workers”.

They pointed out that, despite many efforts to improve university salaries, the ideal of an adequate family wage for all above the grade of assistant lecturer was very far from being achieved and that there seemed little hope of it. They recognised that if the worst cases of financial hardship were met by Family Allowances, it would no longer be possible to plead these cases as an argument for higher salaries, but shrewdly observed:—

“that a policy of using hard cases as the spearhead of an appeal *ad misericordiam* while refusing to countenance practical measures for their amelioration lays its supporters open to the suspicion of hypocrisy”.

They also admitted the argument, as anyone but a muddle-head must, that “equal pay for equal work”—a principle accepted by the Universities, where most posts are open at least technically to both sexes—must mean in practice a grossly unequal standard of living as between those with and those without family responsibilities, unless these are met by a provision independent of salaries. Further, while modestly disclaiming the view that University teachers as a class are better fitted for parenthood than other occupational groups and suggesting that the social value of parenthood is an argument applying chiefly to a national scheme, they infer from the experience of other countries that the State is unlikely to adopt such a scheme until the method has been tried out by the voluntary action of occupational groups.

The Association considered the possibility of extending Family Allowances to cover adult dependants, but rejected this mainly on the grounds of administrative difficulties and lesser urgency. It is interesting that the results, so far as they went, of their enquiry by questionnaire did not bear out the view often put forward, that the burden of dependent relatives other than wives and children—for example, aged parents—fall chiefly upon the unmarried. The percentage of those replying who had such dependants was practically the same among married and unmarried—namely, about one in seven.

The Association limited its recommendation of a scheme of children's allowances applicable to Universities by a number of conditions of which the principal were these:—

The scheme must be non-contributory; must involve no reduction in salary scales, but be financed wholly from “new money”, provided out of a pool common to all or most of the English and Welsh Universities. The allowances should be at the same rate for all teachers and for each child; they should be sufficiently high to aid substantially the costs of maintenance and education but not to cover them entirely.

Since the University Grants Commission, though believed not to be in principle opposed to such a scheme, has not felt able to provide money for it and no other provider of “new money” has presented himself, these recommendations have so far borne no fruit. But it is cheering to find that these University teachers were not unwilling to provide the State with an experiment and to that extent recognised their obligation to “take the lead” and not merely to follow others in such a matter.

Elementary and Secondary School Teachers.

One might have expected that this kind of consideration would weigh even more with school teachers, since these are concerned with children and, in elementary schools especially, are brought closely in touch with the cruel effects of the present system. But though many individual teachers do feel this deeply and warmly support Family Allowances, the attitude of their organisations has been disappointing. It apparently may be summarised in the expression often heard that “teachers are not going to be experimented on”.

As to the effects of the system on their own profession, opinion has no doubt been much influenced among elementary teachers by

the acute controversy on "equal pay". Since the women outnumber the men by over two to one, the impracticability on financial grounds of securing salary scales for all alike adequate to the needs of imaginary families is too obvious to be denied. Actually, the men are paid at a higher rate than the women, but not sufficiently higher to enable a man with a wife and several dependent children to enjoy as good a standard of life as his female colleagues of the same status. Logically, this is a strong argument for Family Allowances. But in effect the result seems to be that the attention of the men is concentrated on efforts to secure either higher rates generally, or still greater differentiation, and in either case an increasing proportion for men of headships and other higher-grade posts. The women stand to gain from the first kind of effort but to lose by the other two, so they become absorbed—those of them with a taste for combat and not entirely engrossed in their school work and the other interests of their lives—in efforts to enable women to keep their footing on the slope of distribution within the profession.

Two groups of extremists on the sex-rivalry question hived off a good many years ago from the main body, the National Union of Teachers, which has always given a somewhat academic support to the principle of "equal pay". The National Union of Women Teachers, strongly feminist and anxious to press their claim more strongly, disliked to be reminded by the advocates of Family Allowances of the heavier family responsibilities of men and refused to see that we were pointing out to them the one practicable way of reconciling that undeniable fact with their own principle. Instead, they harped on the numerous exceptions—the women who had, and the men who had not, dependants to support. The National Association of Schoolmasters, aggressively anti-feminist, and bent on increasing the differentiation between men's and women's salaries, at one time made great play with the argument of "our wives and families" and the carefree existence of the spinster teacher. A cartoon they published depicted a railway booking-office with a woman teacher booking her Swiss tour at one window, while her male colleague with a wife and several infants trailing behind him bought tickets for the nearest cheap seaside resort. But, again, when the obvious solution of this injustice through Family Allowances was pointed out to the Association, instead of being grateful, they were annoyed, and since then "our gallant little wives" have slipped out of their propaganda, which strikes instead a hundred-per-cent. he-male note that seems a trifle out of date.

One regrets this attitude on the part of teachers, of all people, for two reasons: that it seems more narrowly self-regarding than might be expected from a profession whose individual members show such unselfish devotion to the welfare of children; also it implies what I cannot but think a short-sighted view of what self-regard really points to. It may be said that teachers' organisations are likely to be better judges of that than outsiders. Perhaps; but consider these facts:—

That men with families to support must deny themselves many pleasant things, such as foreign travel, which their childless colleagues can afford is a situation not peculiar to teachers. Under present conditions it is the common lot of parents, and this has compensations they are not likely to overlook. But, first, in a profession calling especially for intellectual alertness, freshness and individuality these deprivations are likely to have unfavourable results on the teacher's efficiency; secondly, there is no profession where this difficulty could be so easily met by the aid of Family Allowances and is so impossible to remedy without them.

The first point—recognised, as we have seen, by the Association of University Teachers—is well illustrated by a letter received from the headmaster of a large secondary school shortly after the “cuts” imposed on teachers' salaries after the 1931–2 crisis. He wrote:—

“There are few headmasters who are not seriously perturbed for the welfare of the married men on their staffs. Men earning £350–£450 a year, married and having children, were, even before the cuts, in an unsatisfactory position. They were forced into a scramble for extra work in the evenings and for examining during the holidays. Of the wherewithal for ‘fruitful leisure’ they had little or nothing. What with corrections, extra work and a share of the domestic duties (for a maid or nursemaid are in almost all cases out of the question) they have but little time to keep themselves fresh, up-to-date and generally well-read even if they had the money to buy periodicals—which they have not.”

But the present-day salaries under the Burnham scales of men assistant teachers in elementary schools are mostly lower than those this headmaster considered inadequate. They range from a minimum of £102 for an uncertificated teacher to a maximum of £408 for a certificated teacher; in secondary schools from a minimum of £186 for a non-graduate in the Provinces to a maximum of £528

for a graduate in London. Granting that the men with dependent children would mostly be at the higher ranges of their grades, many must still feel the strain of keeping themselves abreast of their unburdened colleagues. And it would be so easy to lighten the burden for them, just because they are so few in proportion to those without children to keep.

No recent estimates, so far as I know, have been made of the cost of applying a Family Allowance scheme to school teachers. But a memorandum on the subject prepared in 1932 by the Family Endowment Society¹ gave estimates at a variety of scales based on the number of teachers and the total salary bills for 1930 and on the probable number of children dependent on male teachers calculated from the 1921 Census figures concerning teachers' children. As the birth rate generally has fallen by about 23 per cent. since 1921, the estimates probably err on the high side. Briefly, they showed that the cost of a scheme for elementary teachers alone at the rate of £25 a year for each child under 18 years old would be £777,500—equal to 1·84 per cent. of the salaries bill; for secondary and technical teachers alone, £235,000, or 2·55 per cent. of the salaries bill; for all grades of teachers together, £1,012,500 or 1·96 of all salaries. If the scale were £20 for each child up to 12 and £40 from 12 to 18, the cost would be very little more. The relatively low cost of a scheme for elementary teachers only is of course due to the higher proportion of women among these.

Even if such a scheme had to be financed by a cut in salaries or by forgoing an expected rise, would not a sacrifice of something under 2 per cent. be worth while—for the men, regarded as provision for their future families; for the women, as a step towards "equal pay", and for both alike as a way of settling a dispute which has caused much ugly bitterness, and of ensuring that women teachers should neither be preferred by local authorities for their greater cheapness nor passed over for higher posts, even when a woman is the better candidate, because the next best is a man and "men have families to keep"?

Or is it possible that this latter result is just what the men do *not* desire? They would bitterly resent any charge that they were, in effect, using the pinafores of hypothetical children as a kind of white flag to win them clemency. But is not that, in fact, about what it amounts to? If that sounds harsh, it is not more so than

¹ Still obtainable from the Society at 35, Marsham Street, London, S.W.1, price 4d., post free.

the judgement applied by the University teachers to themselves in their reference already quoted to the "suspicion of hypocrisy" hanging above a certain line of argument, nor than the diatribe quoted later of Mr. Justice Piddington of Australia, a man whose wide and long experience of wage settlement few can beat.

The Civil Service.

Much the same considerations and arguments as in the case of the teachers apply to the application of the Family Allowance system to the Civil Service. Here too is a great service spread over the entire country, paid out of public funds, peopled by men and women who enjoy better security of tenure than most occupations and better pay than some, yet are faced with the same problem, that many grades and many within most grades find it hard to make both ends meet and to keep up the standards customary in their class if they have families to support. The solution of Family Allowances would seem simpler in their case even than for teachers, because the State itself is the paymaster, and not the local authorities. If provided by contributions from salaries or given as an alternative to a flat-rate rise, the cost, expressed as a percentage of salaries, would be rather higher than for elementary teachers because of the smaller proportion of women.

Since the days when the case for Family Allowances was first brought before the Standing Joint Committee on teachers' salaries and the Royal Commission on the Civil Service, circumstances have changed. There seems to be a real probability now that the Government may be induced to alleviate hardships arising out of war conditions by introducing some kind of national scheme. This may take a form under which professional workers would be excluded, for example, because of the income limit imposed or because the scheme was restricted to insured persons. But as already observed, whether they benefit or not, it is improbable that the scale would be high enough to meet a substantial proportion of the cost of maintaining children at the standard of life customary in the professional classes. There would still be a place for supplementary schemes, whether financed by employing bodies or through workers' contributions.

Both teachers and civil servants have before them the encouraging experience of other countries. In every European country except our own and Turkey, also in two of our Dominions, Australia and

Eire, family or marriage allowances in some form are provided usually coupled with "equal pay", and, so far as our evidence goes, with the general approval of those concerned and of their organisations. In Australia at least it cannot be argued that the system is accompanied by low standards of remuneration as compared with our own. Particulars and evidence of this will be found in the later sections of this chapter and in Appendix I. It is significant of the insularity and conservatism of the outlook of even the educated sections of our nation that so little attention has been paid to all this experience.

The Ministry of Religion.

But there is another profession in which some progress has been made and further progress seems held up less by opposition than by lack of means to pay for it—that of the ministry of religion.

Actually the oldest scheme of children's allowances in this country, and one of the oldest anywhere, is that established over 150 years ago in the Methodist Church, and the plan by which it is financed closely resembles the French device of the equalisation fund. The present scale is eight guineas a year for each child from birth to eighteen years, and an additional twelve guineas a year for the last six years of education. The Church Conference ascertains annually the total amount required and the duty of raising this is divided between the district synods and circuits, on the basis of the number of ministers in each district and its supposed financial capacity. In this way no church has any financial inducement to prefer a childless minister.

The Presbyterian Church of England has inaugurated a scheme which provides ministers with stipends under £400 with an annual grant of £15 for each child, with an additional £15 grant during the years of education. The Baptist Church gives allowances of £10 for each child in the case of certain of its churches. Other denominations have the matter under consideration.

In the English Established Church limited schemes have existed for some years in the dioceses of Lichfield, St. Edmundsbury and Ipswich, Southwark, and York. In all these, allowances are given under varying conditions for dependent children, and in the last named also for wives of the clergy. The Commission on Parochial Endowments appointed by the Church Assembly has recently considered the subject, and its report to the spring session of

the Assembly, 1939, includes a memorandum on it. In this it is

“suggested that Family Allowances should be made a first charge on any general fund created by the equalising of parochial endowments, on the following grounds:—

(1) Family endowments would do more than any single proposal to mitigate clerical poverty where it presses most hardly;

(2) By approximating to some degree the economic position of married and unmarried men they would tend to make man-power more fluid;

(3) They would help to express and strengthen the sense of solidarity among the clergy and of their fellowship in Christ's service, which is much to be desired;

(4) They would remove in the minds of some young men—evidence for this is not lacking from the universities—a very serious financial deterrent to their offering themselves for ordination.”

But the body of the report records a doubt as to where the money is to come from and expresses the view that

“on the whole we think that the augmentation of really poor benefices should be given precedence over the provision of Family Allowances.”

The Church no doubt must cut its coat according to its cloth. But on general grounds there is no occupation above manual labour where the case for the adoption of the system seems stronger. The insufficiency of many clerical stipends and the indefensibly wide difference between the fat and the lean livings have been matters of common knowledge since and even before Anthony Trollope wrote his immortal Barchester novels. A great deal has been done since then to improve the lower stipends and to lessen the gap, and the Commission just referred to proposes measures to lessen it further. But the difficulty confronting them was evidently how to take enough from the benefices which could spare it to provide a decent sufficiency for all. That would seem to point to concentration of resources on those whose need is greatest, and that is likely to depend as much or more upon the question of how many a given stipend has to support than upon its amount.

Equally well known is the fact that the problem of recruitment—the quantity and quality of it—troubles the minds of ecclesiastical authorities no less than that of stipends, and that the two are closely connected. Unless a young man's sense of vocation is irresistibly strong, how can he but be affected by the question as to whether in the Church he can be assured of a living that will enable him to marry as he wants and to maintain his wife and educate his children at standards that seem to him tolerable, and so to give his whole energies to his work unhampered by the deprivations and anxieties which, as he may have seen for himself, keep so many men from fulfilling their early promise? One indication of the effect of these anxieties on the clergy is perhaps the great fall in the size of their families. There are no recent figures as to their birth rate, but in 1926 Lord Buckmaster gave the House of Lords the following comparison of the birth rate per thousand married people under the age of 50:—

| | |
|--|-------|
| Schoolmasters | 93 |
| Clergy of the Church of England. | 100 |
| Clergy of all denominations | 102 |
| Doctors and Professional men | 103-5 |
| Skilled Labourers | 153 |
| Unskilled Labourers | 247 |

The figure for clergy of the Church of England is borne out by the memorandum of the above-mentioned Commission. Enquiries in five representative archdeaconries showed that 80 per cent. of the beneficed clergy are married and that the average number of *dependent* children is one. Dependency is here taken to include older children still receiving education. On this basis it is calculated that—presumably for the whole of the church in England—a grant of £20 per child under thirteen and £40 for children over thirteen would cost £285,000 per annum.

No one can say by what means the number of children has been brought so low. But bearing in mind the known scruples in these circles regarding the justifiability of methods of contraception, there is an evident possibility of painful conflict in many minds between natural instincts, conscience and prudence.

However this may be, it seems deplorable that a profession so suited to provide a good environment and upbringing for its children—a profession from whose homes so many recruits for other learned professions and for the service of the empire overseas have in the

not . . . eugenics

past gone forth—should now be making so small a contribution to future generations. Again one may remark that the financial difficulty of making adequate provision would be greatly eased by a national scheme covering all classes. The State contribution could then be with relative ease supplemented by a voluntary scheme.

Industrial Workers.

When our subject first came into general discussion in this country, and especially after the growing success of the system abroad became known, several large employers considered introducing it here. The Chemical Employers' Federation sent one of their leading men, Mr. Lloyd Roberts, on a tour of investigation in France, Belgium and Germany. His report was almost unqualifiedly favourable. He records that he had received specific instructions to search for objections, but so far as the principle was concerned, had entirely failed to find any. The sole opponent met with in the course of his tour was the Director of the German Federation of Employers. But his "was a personal opinion, not based on any difficulties experienced in connection with the scheme, nor supported by any evidence of harmful results from its operation". Nevertheless no action followed from this report.

Several individual firms did, however, introduce schemes for the benefit of their employees, and during the past two years the number of these has considerably increased. Particulars of nineteen schemes—one of them covering fifteen firms in the paper-making and allied trades—have recently been collected by the Family Endowment Society and are given in Appendix II. The employers who have furnished these particulars seem generally satisfied with the results, and none of them has recorded any ascertained disadvantages. It would appear that these schemes have greatly pleased their beneficiaries, and have not, so far as the evidence goes, been resented by their fellow-workers.

While appreciating the public spirit of the employers who have ventured the experiment, the limitations of its utility must be pointed out. As I have noted elsewhere,¹ schemes restricted to individual firms or small groups are bound, if sought to be widely extended, to incur the danger of inviting discrimination against married men. Even if this were guarded against by the formation of Equalisation Funds, the difficulties of applying the method quickly and widely enough to meet war-time needs and the pro-

¹ See p. 56.

claimed opposition to it in Labour and Trade Union circles have already been noted. Further, it seems unfortunate that most of the schemes begin payment of the allowances only with the third child, unless it is certain that the wage rates paid are really adequate for the reasonable needs of the smaller families. Another regrettable feature is that payment seems usually to be made to the wage-earners instead of to the mother. French and Australian experience point to the latter method, not so much as a better safeguard against possible misapplication—though as the mother will usually have to spend the money anyhow, passing it through another hand does double the possibility of this—but as indicating more clearly that the allowance is a recognition of the service of parenthood and not part of the remuneration of the worker, and so less likely to arouse the jealousy of the unmarried worker. It is hard to believe that the British workman would show himself less ready than his opposite number in France or in New South Wales to accept this method of payment as natural and reasonable. In spite of these drawbacks, on the homely principle that “an ounce of practice is worth a ton of theory” and that “the proof of the pudding is in the eating”, these individual schemes may do something to prepare the minds of employers and workers alike for bigger things.

2. *In Australia.*

In Australia, as we have seen, the starting-point of the movement was the setting up by the Federal Government in 1919 of a Royal Commission on the Basic Wage. Always a pioneer in industrial and social reform, Australia had possessed since 1900 a Commonwealth Arbitration Court for settling wage disputes, and in 1907 its President had laid it down that in requiring that wages must be “fair and reasonable” Parliament must have meant that they should ensure “a condition of frugal comfort estimated by current human standards” for “an average labourer with normal wants and under normal conditions”. After that, the awards not only of the Federal Court but also of the Arbitration Courts set up in the several States for workers not coming within federal awards had been nominally based on the needs of the supposed “normal family” of five persons. But the trade unions were never satisfied with the result. Rising prices during the Great War increased their dissatisfaction. Hence the appointment of the Commission. It consisted of one representative of each of the three chief organisations

of employers and three representatives of the trade unions. They chose as their Chairman a distinguished lawyer, Mr. A. B. Piddington, K.C.

The chief point in the reference to the Commission was to determine:—

“ The actual cost of living at the present time, according to reasonable standards of comfort, including all matters comprised in the ordinary expenditure of a household, for a man with a wife and three children under fourteen years of age, and the several items and amounts which make up that cost.”

It may seem strange that a body entrusted with such a task should have included no women members, but certainly no woman can complain of the thoroughness and attention to detail with which the Commission carried out their task. They held 184 sittings, examined 769 witnesses, inspected 580 exhibits. A separate enquiry was held, and finding made, in the capital city of each of the six States. The imaginary family being assumed to include a boy of 10½, girl of 7, boy of 3½, the cost of every item in the household budget considered necessary to secure “ a reasonable standard of comfort ” for such a family was estimated at current prices.

Exhaustive discussion took place on such questions as whether the Australian workman's suppositious wife would require six blouses a year (two silk, two voile, and two cambric or winceyette), as claimed by the federal unions, or only three (one silk, one voile, one cambric or winceyette), as estimated by the employers, and the compromise eventually decided on allowed to the garment of each material its appropriate length of service. We even find them collecting statistics as to the proportion of clothing bought at sale times, and allowing a reduction of 3 per cent. on ordinary prices to cover the economy of such purchases, while a further 5 per cent. reduction is allowed for the saving made by thrifty housewives in cutting down the garments of the older members of the family to fit the younger. As to this the report pathetically remarks:—

“ With regard to infants' clothing, the difficulty arises that, while the typical family maintains its structure (i.e., contains three children and no more, under fourteen), the question of carry-over or replacement of infants' clothing is almost an insoluble one.”

Precisely; but if only all workmen had families, and all families had always three children (boy $10\frac{1}{2}$, girl 7, boy $3\frac{1}{2}$), how much easier of solution the problem of the living wage would be!

The cost of the model budget which emerged varied (in Australian currency) from £5 17s. in Sydney to £5 6s. 2d. in Brisbane. The items making it up included rent, clothing, food, fuel and light, household necessities and renewals, medical and dental needs, postage, newspapers and books, amusements, smoking, fares, trade union, etc., subscriptions.

The Commission's report, so far as it concerned the cost of living, was a unanimous one. But its findings were never carried into effect. It was referred by the Prime Minister to the Commonwealth statistician, who promptly declared that:—

“Such a wage cannot be paid to all adult employees, because the whole produced wealth of the country, including that portion of produced wealth which now goes in the shape of profits to employers, would not, if divided up equally amongst employees, yield the necessary weekly amount.”¹

But the Commission's work was not wasted. Its meticulous calculations served to bring home, at least to the thinkers of Australia, the artificiality and futility of the conception of a “living wage”, based on the needs of an imaginary static family, as compared with the ever-changing actuality of the workers' needs and the limitations of the nation's resources for meeting them. One suspects that the chairman, Mr. Piddington, realised from the first that he was engaged on a devastating *reductio ad absurdum*. Anyhow, he has lost no opportunity, then or since, of pointing the moral. Invited by the Prime Minister to comment on the statistician's findings, he promptly sent in a memorandum showing that if a living wage based on the standard set up by his own report was enforced throughout Australia the effect would be:—

(a) To provide for 2,100,000 non-existent children and for 450,000 non-existent wives.

(b) To leave all families with more than three children to suffer privation.

(c) So to increase labour costs that the industries manufacturing for export would probably be ruined.

(d) So to increase prices that the basic wage would have to be

¹ *The Next Step*, by A. B. Piddington, p. 22.

again raised within a few months in order to maintain the decreed level of comfort and that this would lead to an interminable race between wages and prices.

He then proposed as the true solution that:—

1. The fiction of the typical family should be abolished.
2. The basis of the minimum wage should be the needs of a man and wife. Continued provision for the 450,000 non-existent wives he justified on the grounds that “ample opportunity should be provided to save up for equipping the home” and that “a man should be able to marry and support a wife at an early age”.
3. The man and wife’s share of the Commission’s finding of £5 16s., including the whole sum allotted to rent and miscellaneous requirements, should be estimated as £4, the share of the three children as £1 16s.
4. The Commonwealth should pay an endowment of 12s. a week to the mother for each dependent child, and should raise the cost (estimated at £27,000,000 a year for 900,000 children) by a tax on employers of 10s. 9d. a week per employee. He estimated the resultant rise in prices at $6\frac{1}{2}$ per cent., instead of $22\frac{1}{2}$ per cent., as under the former plan.

No immediate result followed, except a rise in the basic wage of employees in the public services of the Commonwealth from £3 8s. to £4, with a child allowance of 5s. a week. This allowance has continued to be paid ever since, to the great satisfaction of the Civil Servants concerned.

But in New South Wales, another convert to the principle of child endowment, Dr. Arthur, had already succeeded, even before the Royal Commission reported, in making the question a live issue in his State. Arising out of a conflict between employers and trade unions as to the amount of the basic wage, two Bills were introduced, the first by a National Party Government, the second by a Labour Government, to provide allowances for children on defined conditions. The first Bill was defeated in the Upper House; the second was still under discussion when the Labour Party was defeated at a General Election.

Several years went by. One after another Presidents of the several Arbitration Courts of Australia which have the responsibility of interpreting legislation affecting minimum wages, added their testimony as to the impossibility of meeting the needs of families through wages without placing an intolerable burden on industry

and recommended family endowment. In 1925 the Government of Queensland and the Government of South Australia each introduced Bills which, though undefeated, were abandoned before they reached the Statute Book.

The opinion of Labour became steadily more favourable. The National Congress of Trade Unions endorsed the principle of family endowment—"such payment to be a charge on the community". The Federation of Public Servants of the Commonwealth, having themselves experienced the benefits of children's allowances, recommended the extension of the system to industry. When Mr. Bruce, the Commonwealth Premier, promised during the Federal elections of 1926 to have the whole matter gone into first by the Arbitration Court Judges and afterwards by a Conference of the Commonwealth and the State Governments, the leader of the Federal Opposition outbid him by saying:—

"The question of motherhood endowment is one of vital importance. . . . The Labour Party will make provision for motherhood endowment, and will not submit the matter to a conference."

The Conference met in 1927, but resulted only in plans for further investigation. But meantime New South Wales had acted. A Labour Government under Mr. Lang appointed Mr. Piddington as Industrial Commissioner to determine a standard of living and a living wage to be based on it for adult men and women. Considering his known convictions and unceasing advocacy of child endowment, they must have known what sort of report they would get from him. But his judgement when delivered was startlingly outspoken, considering the political colour of the Government he was addressing. He declared that the minimum wage for men, if it was to satisfy a standard based on the needs of a four-member family—this having previously been the basis of minimum wage regulations in New South Wales—must be raised from £4 4s. to £4 16s. a week. But he proceeded to show the futility of attempts to meet real needs in that way in words such as these:—

"It is time that the workers, after fruitless adventures into which they have been led during the last six years, should realise that no splendour of assertion and no cunning in advocacy can get over the fundamental obstacles to their getting a decent standard of living out of the flat-rate system of wage. . . . The

workers can get justice by asking for it; they cannot get it by the casuistical course of claiming high wages under the excuse of providing for children, though it is known the children have been cheated out of their social rights in just that way. . . .

"The mendicant who hires a child to beg for him, and neglects it so that it may look more appealing, is honester than this. He at any rate does not claim as a right; he begs for charity. . . .

"I forbear to say more as to this mistake in our social order than that my experience in the past six years convinces me that the plight of employees with children, on or near the basic wage, is the most poignantly felt of all social grievances. It is the unanswerable text of the agitator, and not only to the timid or the selfish, but to the prudent, it is a fertile sermon preached on behalf of sterility—self-inflicted and nationwide. . . .

"From the moment that this new basis was announced, making human needs the touchstone of the worker's share in productive wealth, it became inevitable that sooner or later, and in one way or another, recognition would need to be given to the outstanding fact, as to all human needs, that the cost of supplying them must of necessity vary according to the number of persons whose needs are to be satisfied. . . . It is impossible to satisfy human needs by giving to each family the average for all."

He recommended, therefore, that the basic wage for men should remain unchanged, but that there should be immediate legislation to provide children's allowances. His proposal was accepted by the Government and endorsed by the Labour Party. The trade unions, being set on an increase in the basic wage, were at first deeply disappointed, but gradually came round. The Family Endowment Bill had a stormy passage owing to acute differences on questions of scale, income-limits, etc., rather than of principle, but it finally became law in March 1927. It provided an allowance of 5s. for each child under 14, or 16 if incapacitated, of any Australian-born citizen in New South Wales, whether an employee or not, provided that the annual income of his or her household did not exceed the basic wage—to be based in future on the needs of a childless couple plus £13 per annum for each child. To the extent that the income exceeded that sum the allowance tapered off

till it vanished. The cost was to be met by a levy on employers calculated as a percentage of their wage bills. The amount necessary was at first reckoned to be 3 per cent., but, as usually happens with child allowance schemes, this paper estimate proved too high, and since 1931 the allowances have been provided out of general revenue. Since 1929 the payment of allowances begins only with the second child, the basic wage as fixed by the Arbitration Courts being reckoned to cover the living needs of a three-member family. In 1938 the basic wage ranged from £3 15s. to £3 19s., and as the actual wages in most industries are well above this minimum, the number of families receiving the allowance has considerably decreased during the past five years, a large proportion of them being in fact the unemployed. These facts should be noted by those who, because of the prevalence of the system in France, are wont to assert that it is associated with a tendency to result in low wages. The workers of New South Wales have no reason to envy those of the mother country.

3. *In New Zealand*

The development of the movement in New Zealand has been on similar lines to that of New South Wales, but the provision made has been less substantial. There the Arbitration Court, while taking the economic and financial conditions of industry into account in its awards, is pledged in no case to "reduce wages below a fair standard of living wage". The difficulty of always reconciling these two factors doubtless helped to convert the Court to the need for Family Allowances, for in 1923 these were described, in a judgement of the full Court, as "the one remedy for the injustice of taking account only of the average family". After two Bills had been introduced into the legislature by the Labour Party, the Conservative Government apparently decided to "get in first", and in 1926 passed into law rapidly and with very little opposition a Family Allowances Act. This conferred an allowance of 2s., payable to the mother, for each child from the third onwards, in households where the average income, including the allowance, did not exceed £4, that being then the amount of the basic wage declared by the Arbitration Court. The cost was to be met out of the Consolidated Fund.

The Social Security Act of 1938 increased this "family benefit" to 4s. per child and raised the income limit to £5 weekly. The basic minimum wage, based on the requirements of man, wife and three children, was then £3 16s. Yet the actual earnings of male

factory workers in that year averaged £4 8s. 9d. Here again is testimony that a children's allowance scheme has not hindered the workman from securing wage rates considerably above the legal minimum and above those attained by British workers generally.

Those who remember how many of the reforms now adopted in this country—manhood suffrage, women's suffrage, trade boards, arbitration courts, widows' pensions, etc.—were first tried out in Britain overseas will see a significance in these beginnings, and, if they are believers in Family Allowances, will take fresh courage.

4. *In France and Belgium*¹

The swiftest and greatest advance has been in France, with Belgium following and occasionally leading. The history and methods in these two countries are so similar that, for my purpose, the French story may suffice.

The founding of the first Equalisation Fund and the broad principles of such Funds have already been shortly described.² But, as in our country and to a much greater extent, there had been discussion of and sporadic experiments in Family Allowances long before the organised movement began. Those interested can read about them in the exhaustive studies of Mr. Vibart,³ and in a forthcoming book by Mr. D. V. Glass,⁴ from which I have been permitted to take some of the most recent facts and figures in this chapter. It is enough to say here that even before 1914 at least thirty firms had adopted some form of Family Allowances, and these were also paid in several departments of the Government service as well as in the Army.

But, as we have seen, the real movement began with M. Romanet's initiative, which led in 1918 to the establishment almost simultaneously of Equalisation Funds at Grenoble and in Lorient. The idea "caught on", and it may be said that without this method of spreading costs fairly over employers and depriving the less scrupulous of any motive for avoiding taking on family men, the system might have withered away, as it did in Germany when the incentive given by war-time conditions and their aftermath had weakened. The extent of the French advance up to the time when the system was made obligatory can be measured by the following figures:—

¹ The following account was in print before the German occupation of France and Belgium. Let it stand.

² See p. 61 and pp. 68–9.

³ *Family Allowances in Practice*, London, 1926, Chap. 14.

⁴ *Population Policies and Movements in Europe*. Clarendon Press.

By the end of 1920 there were 56 Equalisation Funds, covering 500,000 workers and distributing in allowances 64 million francs.

By the end of 1925 there were 183 Equalisation Funds, covering 1,220,000 workers and distributing in allowances 170 million francs.

By the end of 1930 there were 230 Equalisation Funds, covering 1,880,000 workers and distributing in allowances 380 million francs.

These figures do not include a small number of small Funds for agricultural workers. But, in addition, allowances were paid directly, not through Funds, to workers in mines, railways, and a few other large undertakings. Including these direct payments, in 1930 about 4,300,000 workers came under some kind of Family Allowance scheme, with an annual expenditure of 1,700 million francs.

So far all this was the result of voluntary effort, except that after 1923 all firms taking Government contracts were obliged to pay allowances. After the Act passed in March 1932 which provided for the compulsory application of the system by progressive stages to all occupations, the figures rose rapidly, except in the number of Funds. By the end of 1937 there were 228 of these, covering 5,315,000 workers employed by 390,000 firms. Adding to these the enterprises making their own payments and also employees in central and local government services, the population covered was over seven millions, and the allowances paid out that year were about 3,300 million francs, equivalent then in English money to some £22 million.

A few particulars may be added as to the methods used in applying the Equalisation Fund system.

As already noted, the Fund may be on a regional or an occupational basis. A department or large city may have several regional Funds for different groups of occupations—professional, commercial, industrial, agricultural, etc. Or a Fund limited to a single industry may cover a very large area. The regional form seems to be preferred by experts, on the ground that it can be better adapted to local characteristics and also that it is fairer, because it shares out the cost of providing for the future labour supply between industries employing chiefly adult males and those where the majority of the workers are women and young persons.

In Belgium the structure of the Equalisation Funds, which in other

respects resembles the French, was supplemented by a national super-Equalisation Fund, from which deficits incurred by individual Funds after paying the legal minima could be made up from surpluses accruing to other Funds which might include a larger proportion of women or unmarried workers.

In France the scale of allowances is always graded upwards from the first to the third or fourth child, and after that remains constant for each child. Recently there has been a tendency to diminish or drop entirely the allowance for the first child.

The allowance is paid until the child reaches school-leaving age, now 14, or till 17 if still at school, or an apprentice or an invalid. Payment is continued for the children of a worker who is temporarily or permanently incapacitated by or who dies owing to illness or accident arising out of his employment. No distinction is made between the children of Frenchmen and those of foreigners, provided they are living and working in the country. The above conditions have recently been codified in the law regulating the system, but most of them have prevailed since early days in the better Funds. Some Funds continue payment for workers who are temporarily laid off owing to slackness of trade, say for two months.

Payments are usually made monthly by postal order, and in a large proportion of cases, including most of the larger Funds, to the mother. This is found preferable as emphasising the distinction between the allowance and the remuneration of labour, and thus makes it less likely to arouse the jealousy of the unmarried workers. A woman receives allowances for her children only if she is the actual bread-winner.

There was in the early stages, and still is to a lesser extent, a very wide variety in scales and in methods, and it was no doubt one of the advantages of beginning on voluntary lines that these permitted a gradual trying-out of the system.

As to the motives which brought about this rapid advance, no doubt they were a mixture, as human motives usually are, of altruism and self-interest, with the former put well in the shop-window and the latter kept in the background. In the early years the movement evidently owed much to the circumstances in which it was born—to the gratitude felt by all patriotic Frenchmen and far-sighted employers to the men who had saved the country, to alarm lest its future safety might be endangered by the decline in the population,¹ to the belief that the war might be followed by great

¹ Borne out by Maréchal Pétain's cry after the collapse, "Too few children!"

Supported

industrial opportunities and fear lest industrial unrest might hinder their development, most of all to experience of the financial and social evils of the race between wages and prices.

No doubt this last form of experience had a good deal of effect in securing the goodwill of the workers themselves towards the new system, though practical experience of its benefits had more. Not that the trade unions were by any means cordial during the early years. It does not appear that they ever showed open hostility to the principle. But they disliked the employers' control of the Funds and feared it would be used to strengthen their hold over the workers and to encourage interference in their private lives. The former fear was strengthened by some ugly incidents, such as the stoppage of allowances by a large group of firms for a whole month because of a one day's strike. The charge of meddling with private lives was associated less with the allowance system itself than with the numerous welfare schemes which quickly sprang up in connection with it, such as visiting nurses, milk distribution to nursing mothers (*gouttes de lait*), canteens, etc.

But in a surprisingly short time all idea of opposing the system as a whole because of these dangers faded away and was replaced by efforts to amend, perfect, and extend it by securing collective control through representative committees and State recognition, supervision and subsidies. Thus as early as 1923, the largest organisation of French trade unions—the *Confédération Générale de Travail*—Socialist in complexion, passed a long resolution on the above lines at their annual congress. The Federation of Christian Trade Unions and the women's organisations were more unhesitatingly favourable. The only group which for some time stood out were the Communist trade unions. But in 1926 their federation also, the second largest in France, bowed its neck before public opinion, admitting in the words of their president that:—

“the majority of the proletariat who benefit from the allowances believe the system to be a good one. We cannot run our heads against this conception.”

So, following their usual practice of going one better than their greater rival, the C.G.T., their resolution demanded a national pool completely independent of wages.

During the late twenties the attitude of the French and also the Belgian workers' organisations became much more unfeignedly cordial. Evidence of this is contained in Appendix I. That few equally specific opinions of more recent date are included is due to

the fact that those quoted were mostly elicited by questions addressed to the writers by British enquirers at a time when the subject was being widely discussed over here. The great depression of 1931, while it stimulated the thrifty and logical-minded French people into greater efforts to make what resources were available go as far as possible to meet real needs, merely prejudiced our public against all schemes of social betterment involving new expenditure. Interest in Family Allowances died down, and revived only under the stress of war. French trade union leaders, now swept into the armed forces or struggling to carry on with a remnant of staff, cannot be expected to answer questionnaires. But that their former favourable attitude towards the system is unchanged or strengthened can be deduced from the later developments, and even more from the fact that when the Act of 1932 was passed, universalising and making it statutory, this was done with their full approval no less than that of the federations of employers.

Briefly, the evidence we have accumulated—and the opponents of Family Allowances have found nothing to refute it, though I know they have tried—shows that the conversion of those workers who have experienced the system is due to the results they have found in the following respects:—

A real alleviation of the hard lot of the family man. That has been the main positive result.

No counterbalancing fear that family men will be avoided because of the cost of the allowance. The pool system has been completely effective in preventing that.

Trade union solidarity has not been undermined, nor its influence diminished. Rather the contrary. "When a workman thinks himself injured by the suppression or diminution of the allowances due to him, he appeals to his Trade Union delegate" (The Secretary of the Belgian Miners' Federation).

The system has not led to any lowering of wages. It has probably absorbed resources which might alternatively have been used for a small all-round flat-rate increase.

But the workers are reconciled to that because "in actual practice an organism which aims at equity and solidarity justifies certain sacrifices" (Secretary of the C.G.T.), and the allowances are "the only practical method of establishing a little equilibrium between the pay of those who have responsibilities and those who have not" (President of the Congress of French Post Office Workers).

As with our own Family Allowances in insurance and pension

schemes, the French scales were at first so low that it is surprising to find that they were so valued as to have tempted many of the Belgian workers to migrate into France. This was one of the reasons given for the introduction of the system into Belgium. Yet in the early twenties one of the arguments used to attract employers as new recruits to the Funds was that the expenses averaged under 2 per cent. of the wage bill. Gradually the scales increased both absolutely and proportionately to wage bills. Even in 1938 the cost is estimated to have ranged from 2 to 8 per cent. in different regions and occupations, with an average of no more than $3\frac{1}{2}$ per cent. But bearing in mind that this is levied on the total wage bill irrespective of the sex and age of the workers and that large families are few, this figure gives little idea of the value of the system to its beneficiaries. The proportion of allowance to individual wage gives a better indication of this.

In recent years the decrees regulating the system have required that the minimum scale of allowance should be based upon the average earnings of adult men in the Department or industry concerned, and the proportion of allowance to earnings has tended to rise. Thus the figures for a large group of Funds showed that in 1938 a workman earning the average wage in the industries and localities covered received, if he had one child, an allowance equivalent to from 3 to 5 per cent. of his basic earnings; if he had four children, the value would be 21 to 33 per cent. Translated into English figures, it is as though the income of a man earning 60s. a week was supplemented by 1s. 10d. to 3s. if he had one child; by 12s. to 20s. if he had four. Both amounts and proportion were lower than this in agriculture and higher in some of the larger industries paying allowances directly. Many Funds were said to pay rates considerably over the minima.

The amount of the allowance per child has always been graded upwards from the first to the third or fourth child. But the *Code de Famille* introduced in July 1939 carried this tendency further and increased the rates. It suppressed the allowance for the first child, but provided that if born within two years of the marriage, a cash premium should be paid equivalent to two months' wage at the rate appropriate to the worker in the urban or rural area he belonged to, the amount of the premium varying from 2,000 francs to 3,000 francs according to the area. This is equivalent to from £11 to £17 at present¹ exchange rates. For the second child the allowance was to be at least 10 per cent. of the average earnings of adult

¹ I.e., May 1940.

male workers in the area and for each subsequent child at least 20 per cent. Thus for a man on the basic rate with four children the allowance would be equal to half his wage. An additional *mère au foyer* grant amounting to 10 per cent. of the basic wage was to be paid to urban families with only one bread-winner, in order to encourage mothers to remain at home.

An important new feature is that these allowances are to be paid not only to employed persons, but to self-employed workers such as peasant proprietors and craftsmen working on their own account. Substantial State subsidies are introduced to make this possible and to prevent the increased rates from proving an undue burden on the Funds.

It should be noted that previous to the war period the steady and substantial increase in the scope and scale of allowances has neither caused nor been accompanied by any reduction or even stabilisation of wage rates. On the contrary, the explanation given by Mr. D. V. Glass of the specially marked upward movement of the allowances which began in 1936 was that wages had been rising steeply, and by raising the cost of living had made the previous scale of allowances inadequate for families with several children.

But the allowances paid for by employers by no means exhaust the contribution made by the French community towards the costs of its own renewal. In addition to the numerous welfare schemes associated with the Funds, the State itself and the local authorities give assistance in a score of ways towards relieving the burden of parenthood. For example, there are allowances to pregnant women for a month before and a month after confinement, allowances in cash to a mother suckling her child or in milk if she cannot suckle it, reductions in railway and tramway fares, rebates on rent of municipally owned houses and grants towards the cost of building or buying a house, rebates on income tax, etc. Many of these forms of provision are dependent on the initiative of the local authority, but aided by State subsidy. Most are subject to income limits and so graded as to benefit chiefly the larger families.

It is obvious that all this State provision is largely influenced by the fear of a declining population and of the resulting danger to national security. The population motive has also played a part—perhaps an increasing part—in the industrial schemes, though historians of the movement deny that it counted appreciably in the early years. Opinion among students of the subject in France

and Belgium is more divided as to how far all the efforts made have affected, first, the birth rate and, secondly, the survival rate in these countries. There is a considerable body of evidence to show that the number of children among workers covered by Funds or by direct payment schemes, especially those paying the higher rates, is proportionately larger than in the general population. Some attribute this more to welfare schemes than to cash allowances. Others point out that workers with children are naturally attracted to the occupations in which higher rates are paid.

But however that may be, those of us who—partly for eugenic reasons—want to see a system of Family Allowances in this country certainly need not be discouraged by French experience. This is far from conclusive, for two reasons. First and chiefly, the rates paid in France have until quite recently been too low for it to be reasonable to expect them to have had a substantial effect on the birth rate. The most that could be expected was that in the case of parents who strongly desired to have another child but were hesitating on account of the burden, the allowance would tip the scale. Secondly, though in theory the system now covers nearly the whole employed population, there is, or has been till lately, a good deal of evasion by the smaller employers. It must also be remembered that almost a third of the male workers of France are employed on the land, many of them as peasant proprietors, and that until less than a year ago only a very small proportion of the land-workers were actually covered. These conditions are not such that one can argue from them as to the probable effect on natality of a British scheme, if national in scope and on a reasonably adequate scale. Two things, however, are certain—that the French and Belgian authorities and their population experts attach sufficient value to the system to be making great efforts to extend and strengthen it; further, that even France, for long foremost in the race towards racial suicide, has now a higher birth rate than ourselves or than the Scandinavian countries, which, like ourselves, have higher standards of living and of wages.

5. *In Germany*

Contrast with this last statement the fact that German fertility has increased by over 30 per cent. since 1933. Population experts do not seem to doubt German statistics on this point, though we have learned to be distrustful of most evidence of wish-fulfilment

from that source. The size of the figure is partly accounted for by the previous sharp decline during the war and post-war years and by marriages retarded by the 1931-32 trade depression. The increase is said to have been brought about by a number of factors, including severe penalties against abortion and contraception, compulsory withdrawal of women from many occupations, and incessant propaganda. But there was also the only factor which concerns us here—the adoption of Family Allowances and similar positive measures for lessening the economic obstacles to parenthood.

Family Allowances had previously become prevalent in Germany, and during the first few years after the Great War the movement seemed likely to enjoy as great a success as in France. Instead, after about 1925 it withered away rapidly, surviving only in the Civil Service and in a few industries and districts. The chief reason for the decline seems to have been two blunders on the part of the employers—their failure to develop the equalisation fund method and their failure to emphasise the distinction between allowances and wages. Instead of being posted to the wife, as in France, the allowance was handed to the workman with his weekly wages and named *Sozial-lohn* (social wages). As a result of the first error, the married workers found or feared that they were being hampered in the search for work; as a result of the second, the unmarried became jealous of what seemed to them an unearned privilege. Finding the system unpopular with both, the employers, in search of economies during bad times, dropped it. It was the State which re-introduced it into Nazi Germany.

The first step was the Marriage Loan Act of 1933. This authorised a loan of up to a thousand marks to a newly married couple for the equipment of their home, provided that the wife, who must have been previously employed, gave up her employment. The loan was to be repaid in annual instalments over eight years, but a quarter of it was cancelled on the birth of each child. By this ingenious plan unemployment was relieved by releasing jobs for men workers and the birth rate was stimulated. Later, when women were needed for rearmament, the condition as to their dropping work lapsed. Repaid loans formed a fund out of which grants might be made to families with four or more children. A later Act provided further single grants and exceptional educational facilities for members of large families. There was also increasing differentiation between the taxation imposed on parents and on unmarried or childless persons. Municipalities followed the

example of the State by promising special advantages in education and opportunities for employment to members of large families, and a few constituted themselves "godparents" to selected children of such families and gave them money allowances.

The psychological as well as the economic effect of all this was probably much greater upon the docile herd mind of National-Socialist Germany—and all non-Aryans and politically suspect persons were of course excluded—than the similar measures applied to the sturdily individualist French people.

Among the few surviving voluntary schemes in Germany, those adopted by bodies of doctors and dentists are interesting because in our country it has always been supposed specially difficult to apply Family Allowance schemes—other than on a national basis—to workers paid by the job. Under these schemes, equalisation funds were raised by contributions from doctors and dentists on the basis of a percentage of their earnings and spent on allowances from the third child onwards till the completion of its education. A similar and earlier fund for pharmacists levies half the cost on the employers.

6. *In Italy.*

In Italy the Family Allowance system has only been developed to any appreciable extent during the last six years, but during that period the Fascist authorities have made up for their late beginning by the pace of their action. The lower-paid employees of the State had received allowances for their children on a modest scale since 1927. In 1934 the first industrial scheme was introduced to mitigate the effect on families of the reduced earnings caused by the reduction of the working week to 40 hours. The cost was met by equal contributions from the employers and the workers, the share of the latter being based on a percentage of earnings, with an extra percentage on pay for hours worked in excess of 40 per week. A decree of August 1936 divorced the system from the 40-hour week, extended it to cover $2\frac{1}{2}$ million workers, increased the contribution from the employers and added a small subsidy from the State. Further decrees a year later brought all employed persons in Italy with monthly earnings of less than 2,000 lire within the scope of the system. This, however, is not uniform for all the classes affected, special rules being laid down by collective agreement for different groups of occupations, the provision varying in respect of such matters as the amount of the allowances and the

age limit of the children for whom they are paid. All children are usually covered, but at a rate which increases from the first to the third or fourth child. Some agreements give an allowance also to the wife. Though much of all this is obviously borrowed from the French system, a distinctive feature of the Italian is its three-party contributory basis, the employer paying the largest share, the workers the next largest and the State only a small portion.

The amount of the allowance does not usually seem high and cannot cover more than part of the cost of child maintenance. Compared with the latest French scales, a worker earning average wages in a low-grade occupation and having four children to support might secure allowances equal to something like a fourth of his wage instead of one-half as in France. Yet the total expenditure on allowances in lire is impressive: between August 1937 and August 1938, 615·349 million lire were paid in allowances to parents employed in industry, commerce and agriculture; in addition, during the calendar year 1937-38, 33·201 million lire were paid to persons employed in credit, insurance and kindred undertakings.

Another recent importation from abroad—this time from Germany—is the plan of marriage loans. By a decree issued in 1937 newly married couples whose income falls below a certain limit—12,000 lire a year—can apply for a State loan of from 1,000 to 3,000 lire, repayable in instalments, of which a portion is cancelled at the birth of the first child, a larger portion at the birth of the second and so on.

There is no mystery and no disguise about the motive chiefly prompting these measures. They and many other measures of social welfare are designed to promote the large increase in the Italian population on which the Duce is set. Family Allowances would probably have been introduced anyhow, for the common-sense economic reasons which prompted the French experiment and because of the example of its success. In spite of political antagonisms, these two countries, such close neighbours and so near akin, do pattern themselves on each other in many ways. But the timing of the movement, its beginning just before the Abyssinian adventure and its rapid acceleration since, show that it is part of the scheme for colonial and imperial expansion. It will, it is hoped, help to produce future settlers for the lands which will by then have been won by conquest or by guile from the great "pluto-democracies" which Mussolini so venomously hates. It

is too soon to judge whether measures so recently taken will have the desired effect. The Italian birth rate was already higher than that of most European countries and more than high enough to maintain a stable population, and the fears and uncertainties of war-time are not likely to stimulate the Italian mother into wanting to add to her brood. The Italian peasant, like her French cousin, is good at passive resistance.

7. In Other Countries

In nearly every European country Family Allowance schemes sprang up in the early post-war years, but in all except those already dealt with, when conditions became temporarily more normal they tended to disappear, survived usually only in the Civil Service and perhaps in a few industries, especially mining. In most there has been a revival of interest during the last few years, due partly to observation of the French and Belgian systems, partly to international unrest and fear of the dangers of a declining birth rate.

Thus Hungary in 1938 passed an Act providing for the setting up of Equalisation Funds for the main branches of industry and commerce, and a super-Equalisation Fund, on the Belgian model, the cost to be met by employers.

In Spain, the Franco Government has recently introduced a system, evidently inspired by Italian influence, to be financed by the employers, the workers and the State, and managed by the National Institute of Social Welfare. The estimate of its cost for 1938 was 300 million pesetas.

In Norway, a Government Committee, after sitting for three years, pronounced by a majority in favour of a national scheme of allowances for all children, to be paid to the mother and financed out of taxation. No action seems to have followed.

In Chile an Act passed in 1937 introduced a scheme of allowances on lines resembling that of Italy, but limited to salaried employees, the cost to be met by their employers and themselves.

Several other South American States have been actively discussing the subject, and the Pan-American Conference in 1938 passed a resolution recommending the Governments of the States represented to introduce Family Allowances. In the Argentine several Bills have been introduced, but so far without result.

CHAPTER V

THE FUTURE

WE have now taken a bird's-eye view of the theory and practice of Family Allowances. Readers who have followed with intelligence and sympathy may wonder why, since the case for this reform is so strong, it has not made greater progress in this country; why we have been outstripped by other peoples, some of them so much less humane, progressive and enlightened than ourselves. As to the last point, it is the usual story. Dictators take taxis while democracies lumber along in buses. But it may be well before ending to consider a little further what are the forces working on our side and against us, for it is on the balance between them that hope for the future lies.

To take opposing forces first, one of our difficulties has been that they hardly ever materialise into open opposition. The method of their representatives, when they meet the proposal in the road, is to turn their heads aside and pass on. We have seen something in previous chapters of the motives underlying this passive resistance. Of those which have become more or less articulate, the strongest is the fear among trade-union leaders that provision for families otherwise than through wages may impede wage negotiations, presumably—though this is seldom stated—because it would weaken the argument from hardship; perhaps also drive a wedge between the interests of married and single men. I have commented on the former argument already; the latter surely cannot apply to any State-paid scheme. The majority of the 1930 Joint Committee of the T.U.C. and the Labour Party agreed as to this. Such of these expert witnesses as Dr. Hugh Dalton and Mr. J. H. Hobson held that a scheme financed out of taxation would not have a detrimental effect on wages; that by giving the workers an additional reserve, it would strengthen their bargaining power in wage negotiations and would stimulate industry by setting purchasing power free for the buying of consumption goods.

Another explanation of this passive opposition is simply the natural conservatism of the British working man, who, in the words

of the late Mr. William Straker, former Secretary of the Northumberland Miners' Federation, "is probably the most conservative of men among the nations of Europe", and so is apt to stick to old methods long after they have served their day. But, he adds, he may be trusted to get there in the end. Mr. Straker was a warm supporter of Family Allowances. He put the case thus:—

"Marriage is according to nature's plan. When circumstances are such as to prevent men and women from entering the married state they are denied life's greatest joys. A scheme of this kind, in many cases, would change these preventive circumstances. When, in spite of untoward circumstances, the married state is entered upon, the consequent burden would be lightened and life made brighter. Children would be better fed, better clothed, better housed, and better educated under a scheme of the kind. Can anyone doubt that a better manhood and womanhood would be produced, and a better world created?"

But I am going to suggest that, besides conservatism, there is another instinctive force working against us, usually unknown to those who are moved by it. I described it in a passage of my earlier book, *The Disinherited Family*, and at the risk of annoying many of my readers, I will repeat part of this. After analysing, much as I have done here, the conception of "the living wage" based on the requirements of a supposed "normal family" of five persons, and paid to all men whether they had families or not, I continued:—

"In spite of all demonstrations of the failure of society to achieve such a wage, the impossibility of achieving it out of present resources and the surplus at the one end and deficit at the other which it would entail if achieved, this grotesque conception continues to be held up before the eyes of the struggling, poverty-stricken masses and their responsible leaders and employers as the economic ideal to strive for. It is as though the portrait of a village idiot were to be enthroned above the altars of all churches, as the symbol of men's hopes and aspirations. Meantime the idea of treating each family as though every man, woman and child in it had a separate stomach to be filled, back to be clothed, individuality to be developed and respected, is either ignored altogether or brushed aside with some careless allusion to the impossibility of asking employers to proportion wages to the size of a man's family or the danger of encouraging over-population.

“What is the explanation of this all but universal attitude? I do not think we need peer very long into the recesses of the human mind before discerning it. Among the strongest instincts of human nature is the desire of power, of domination, of being looked up to and admired. Through all ages and in all countries, with a few insignificant exceptions known to anthropologists, men even the humblest and most oppressed have found scope for the satisfaction of this desire in their power over their own wives and children. Even the slave was lord in his hut. His authority rested ultimately on the greater physical strength of the adult male, on the helplessness of infancy and the special needs of maternity. But the instinct of domination, not satisfied with the sanction of physical force, buttressed itself with every other it could devise, with the sanctions of law, of religion, of tradition and custom, of economic dependence. As time went on, other instincts and forces, including the resistance of wives and children against domination and the affection of husbands and fathers which disposed them to yield to this resistance, including also the teaching of Christ (though not of all his accredited exponents) as to the value of every separate individuality, have gradually weakened the *patria potestas* and deprived it of many of the sanctions by which it was upheld. The instinct of domination, in order to preserve what remained, has been compelled to resort to subterfuge, to assume by a sort of protective mimicry the likeness of more reputable instincts.

“The last century has seen the emancipation of women and children from the most oppressive and cruel forms of marital and paternal power, as well as from the economic conditions which bound those of the poorer classes to a kind of industrial slavery. It has given them new rights and opportunities, of education and development, and in the case of women, of citizenship. But it has also seen the simultaneous and partly consequent extension of the period of their economic dependency on the male head of the family. Is it fantastic to suggest that in accepting this new burden, the unconscious mind of man was aware that he was also securing a new hold over his dependants, more subtly effective than that which he was forgoing? The privilege of compelling a reluctant wife by physical force to cohabit with him or chastising her (within reason, and provided he used a stick no thicker than his thumb!) was no longer his. Harsh methods of parental control had also gone

out of fashion. But instead of these little used or valued sanctions, he had the power of the purse, the knowledge that his wife throughout her married life, his children till adolescence, would have nothing in the world but what he chose to give them. I am not suggesting that men value this power because, in the vast majority of cases, they have any desire to abuse it. It is notorious that the pleasures of virtue are greater than of vice; to give is more blessed than to receive. But it is easy to see what satisfaction the institution of the dependent family gives to all sorts and conditions of men—to the tyrannous man what opportunities of tyranny, to the selfish of self-indulgence, to the generous of preening himself in the sunshine of his own generosity, to the chivalrous of feeling himself the protector of the weak. The very device to which the necessities of the dependent family have led—the device of the uniform family income—ministers to the desire for self-importance, by giving to the man a kind of multiple personality, a five in one and one in five, so that he stands out like the central figure in an Italian picture against a dim richness of angel and Cupid faces.

“Further, it should be noted that, like all deep-rooted and inherited instincts, this one is independent of the circumstances of the individual case; so that it may exist as much in the minds of men who are unmarried and childless, or married to women who have never been economically dependent, as in the minds of fathers of families. It is, in fact, an impersonal instinct, which creates between those who share it a kind of common sex bias which is often stronger even than self-interest or the interests of class.

“This being so, it is not surprising that when the idea of direct provision is first presented to men’s minds, a large proportion of them find it distasteful, for reasons which they do not care to analyse. Instinctively they clutch at the first objection that comes to their minds—the scheme is socialistic, or it would be burdensome to the taxpayer, or lead to the dismissal of married men. If some intrusive propagandist insists on knocking away these convenient excuses, the mind’s next gesture is to turn its back on the obnoxious reform and walk right away from it. Those who have watched the growth of movements which offend popular prejudice or dominant interest must have noticed that this is what usually befalls them in their earlier stages. Since mediæval times, men have learned

better than to persecute the propagandist of unpopular opinions. They retain only one instrument of the Inquisition—the oubliette—and they use it to dispose not of the heretic but of the heresy. Thus when a proposal presents itself which is obnoxious to the hidden Turk in man, he stretches up his hand from his dwelling in the unconscious mind and the proposal disappears from the upper regions of consciousness.”

Sixteen years have passed since that was written. Some may say that it has a musty smell, savouring rather of the period of militant feminism than of present-day conditions, when “equal citizenship” between men and women is an achieved or almost achieved reality, when young couples about to marry as often as not assume that the wife will continue the work of her profession or industry as long as circumstances make it desirable and practicable, and the man regards his mate as a partner rather than a dependant. That may be so. But for all that, these subconscious instincts have a way of lasting like damp below the surface long after the weather has changed, until at last sun and air from the healthy outside world penetrate and gradually dry them up. The Turk is a much less common figure to-day than in past generations, but would-be Benefactors are still numerous, and the Benefactor complex gives them a certain satisfaction in having “dependants” whose livelihood depends wholly on the labour of their hands or their brains. To these I would suggest that they may be yielding to a subtle and dangerous form of selfishness, if they impede approaches to a juster distribution of the world’s wealth because they take pleasure in the very sacrifices they make for their wives and children. Are they sure that it is not the children themselves who are being sacrificed—if not their own children, those of other people?

If all this is untrue, how then can one explain the neglect of this reform and the hesitating and half-hearted attitude towards it which still prevails in many circles? How explain, too, the much more cordial attitude of most women and nearly all women’s organisations? For nearly all these have long ago declared themselves on our side, although those which belong to a party machine are apt to be damped down by their men.

How often have I sat in the House of Commons on the benches where the little group of Independents congregates, listening to eloquent speeches by Labour Members, describing with illustrations drawn from personal experience or intimate knowledge the sufferings caused by poverty in working-class homes. Yet, while moved

by all that, I have asked myself how it is that one simple and direct means of relieving that poverty, so that at least it should not cut the tender flesh of the children, is usually ignored. The assumption of the speakers is always that the impediment to reform is the selfishness, the timidity, the class prejudice of the wealthy capitalist classes. But, I have asked myself, is it only the rich who are self-regarding and timid, unwilling to take even the smallest risk of losing any of the privileges or amenities enjoyed by their own caste, or by the particular section of it to which they themselves belong?

Yet, like Mr. Straker, I am confident that Englishmen of all classes will "get there in the end". If the most conservative of mankind, they are also the most fundamentally fair-minded, kindly and humane. If once persuaded or forced to face the facts, they will be not less ready than their Australian cousins and French allies to recognise that for Society to make some direct provision for their children is so obviously just and socially expedient that they will soon begin to wonder why this was not done long ago.

Already War, that great eye-opener, has forced many to face the facts who before had steadily ignored them. The war-time arguments, compressed into briefest form, were set out in a memorandum recently sent to the Chancellor of the Exchequer, on behalf of a group of Members of Parliament, by Mr. L. S. Amery, who—always friendly to our cause—has recently been one of its most energetic advocates. They may serve here as a final summary of part of the case we have been considering. The Memorandum asked for the immediate adoption of

"a scheme which would operate rapidly enough and be of sufficiently wide scope to effect the main war-time purposes we have in mind, namely:—

(1) To prevent an increase in malnutrition, overcrowding and other unhygienic conditions due to poverty aggravated by high prices.

(2) To prevent the spread of discontent arising from two causes: first, from the belief that the sacrifices imposed by higher taxation and restricted supplies are unfairly shared as between the richer and poorer classes, since they involve for the former only a lower standard of comfort and for the latter an insufficiency injurious to health and well-being; secondly, from the wide variations—not always justified by varying conditions—between children's allowances already

provided for various classes of beneficiaries—the evacuees, the Service men, the unemployed, those on Public Assistance, the widows. These differences could be reduced, though not entirely eliminated, by a system of Family Allowances. Unless these discontents are quickly checked, they may weaken national unity.

(3) To prevent a further fall in the already dangerously low birth rate; also, to lessen mortality and sickness rates.

(4) To fulfil all the above purposes without incurring the peril of the “vicious spiral” and consequent inflation.

(5) To prevent the overlap between wages and unemployment benefit and assistance, due to the supplementing of the latter but not of the former by Family Allowances.”

But those of us who have been long pondering these things in our hearts recognise that nearly all these purposes belong to peacetime as well as to war. Malnutrition, low health, bad housing, smouldering discontent, a burning sense of the injustice of a system which gives so much to the few and so little to the many, the growing realisation by married people that they can escape poverty by avoiding parenthood or limiting their children to one or two—all these are not new factors. They have long existed. The only thing that is new is the awakening sense of what these evils mean to the whole community, how they injure its well-being and endanger its very existence. But unless that sense of danger takes effect in speedy and resolute action, it may have been aroused too late.

APPENDIX I

EVIDENCES OF TRADE UNION AND OTHER EXPERT OPINION IN COUNTRIES WITH EXPERIENCE OF FAMILY ALLOWANCES

AUSTRALIA.

Commonwealth Public Service : Family Allowances have been paid since 1920 to all employees in the Commonwealth Public Service whose Salaries are less than £500.

The AUSTRALIAN PUBLIC SERVICE FEDERATION at its annual meeting in 1923 recommended in a Resolution : “ That the Federal and State Governments be requested to initiate throughout the Commonwealth a uniform system of

(a) Basic wage determined on the cost of living for a married man and applicable to all workers.

(b) Child Endowment by the State from funds created by contributions from employers.”

In giving evidence before a Royal Commission, Mr. Hunt, Commonwealth Arbitrator, said: “ For the past six years it has been my duty to see public servants of all grades at their work, in addition to hearing the evidence and arguments that have been addressed to me in court and at conferences. During the earlier part of that period (i.e., since 1923) it was my frequent custom to ask men, when talking to them about their jobs, what their views were about the allowance, and I found that there was an almost universal opinion in its favour. At times some of the younger men thought it rather hard that they should receive less than others doing the same work, merely because the latter had families, but that view was not expressed with any special vigour as it was always modified by the possibility that some day they might find themselves in the same position as the men mentioned.”

Mr. A. Stewart, member of the COMMONWEALTH CIVIL SERVICE and delegate to the AUSTRALIAN T. U. CONFERENCE at Perth in

1927, said: "A perfect system of child endowment may not be possible at present, but they should not hesitate to have at least an instalment of the principle, which could be extended in the future. He was engaged in the Commonwealth Public Service and had worked for a considerable time under their endowment scheme, which had been of great value in his home and had added greatly to the comfort of his family."

New South Wales: A Child Endowment Act has been in operation since 1927. The Act was passed by a Labour Government and has since been endorsed by its Conservative successor. All political parties are unanimous that endowment payments shall continue.

The following was the unanimous recommendation, to which the EMPLOYEES' REPRESENTATIVES subscribed, of the Industrial Commission, New South Wales, 1926 :—

"(1) That some scheme of child endowment is highly desirable on national grounds, and is necessary as an adjunct to the living wage in order to enable the standard of living to be attained by all employees and their families.

"(2) We desire to recommend that the State Parliament should take immediate action in the matter and that the Federal Government should be approached as suggested."

A Royal Federal Commission on Child Endowment was appointed in 1927. The following are extracts, from the Evidence given before the Commission.

A. TRADES COUNCILS.

(1) *Victoria*: The Secretary, MELBOURNE TRADES HALL COUNCIL, said: "The only way scientifically to deal with the position of the married man is by childhood endowment."

(2) *South Australia*: The TRADES AND LABOUR COUNCIL representative said "endowment should be paid as a direct cash payment to the mother rather than in the form of increased child welfare services".

(3) *Queensland*: The TRADES AND LABOUR COUNCIL representative said "that endowment should be a national affair on the lines of old age pensions".

(4) *New South Wales*: The Secretary, LABOUR COUNCIL, said that "the Trade Union movement had decided in favour of child endowment, but that such endowment should be separate from and independent of the basic wage".

(5) **AUSTRALASIAN COUNCIL OF TRADES UNIONS** : The Secretary said that they “considered child endowment imperative if Australia was to be assured in the future of healthy, well-educated, efficient, producing and service-giving population. There should be a Commonwealth scheme entirely independent of wages applied to all dependent children and considered apart from the position of parents. He favoured the extension of the school age to 16. The money should be raised by a graduated income-tax and administered by one of the existing departments.”

B. LABOUR PARTIES.

(1) *West Australia* : The Secretary to the LABOUR PARTY stated —“The Labour Party favours a system of child endowment as being necessary to ensure to the families of the working community as a whole the standard of life which, by usage and the progress of industry, has come to be accepted as the minimum reasonable standard appropriate to our national aims and interests.”

(2) *Victoria* : Miss Daley, organiser VICTORIAN LABOUR PARTY, said she “favoured cash payments rather than an extension of the Social Services. . . . The plea for child endowment was a real economic necessity.”

(3) *Queensland* : The representative of the QUEENSLAND CENTRAL EXECUTIVE, AUSTRALIAN LABOUR PARTY, said that the Labour Party considered that a scheme for Australia as a whole would be more adequate than if undertaken by separate States.

(4) *South Australia* : THE COUNCIL OF THE LABOUR PARTY resolved last September “that the Federal Government should introduce legislation for childhood endowment, in accordance with its election pledges and the policy of the Labour Party”.

THE AUSTRALASIAN COUNCIL OF TRADES UNIONS. At a session of the Executive of the Council in November, 1927, the following Resolution was carried :—

“This Council declares that child endowment is a social obligation. As wages are an economic charge on industry, child endowment should be independent of, and apart from, existing wages.”

“That endowment be assured to all children on the basis of present-day equivalent to the amount laid down by the Piddington Commission in 1920.”

“That funds required to meet such endowment be a charge against the total resources of the nation.”

Family Allowances are paid in some form in the Public Service of

every country in Europe (including the Irish Free State), except Great Britain, Russia and Turkey. In many countries they are also paid in industry, being very general throughout the European mining industries. In France and Belgium they appear to be securely established and likely to cover the whole field of industry. We quote several reports from these two countries where the workers have had a far more general experience of the system and for a much greater period of time than elsewhere.

FRANCE.

The CONFÉDÉRATION GÉNÉRAL DU TRAVAIL, at their Congress in 1923, representing 700,000 members, urged that the allowances, as a social right, should be a charge on collectivity, and completely independent of industry and its fluctuations. They should be organised by Joint Committees. In 1924 they said:—"The allowances enable a fairer distribution of the product of labour and a higher standard of life for children. They have no real effect on the birth rate. We could not maintain that the allowances have not reacted on the bachelor's wages. But in actual practice an organism which aims at equity and solidarity justifies certain sacrifices. The Pools guard against the preferential employment of unmarried men. Trade Union solidarity has not been impaired by the system. We in France consider that the Family Wage is purely and simply a redistribution on sounder and more humane lines of the wage bill."

In 1924, when the payment of Family Allowances was made compulsory on Government contracts, the C.G.T. declared:—

"Now that the decree has been issued, employers will not be able to withhold Family Allowances on any pretext; the workers' right to them has been admitted, and the trade unions will see that it is respected."

M. Léonie, writing in *Le Peuple* (the organ of the French Trade Union Federation), pointed out:—"The idea itself, the principle of Family Allowances, need not be questioned. It is in accordance with the conception of justice and social solidarity."

At the Annual Congress of CATHOLIC TRADE UNIONISTS (covering 642 affiliated unions, with 125,000 members, not including those in Alsace-Lorraine), held in May, 1928, a Resolution was carried in favour of compulsory Family Allowances paid through equalisation pools administered by Joint Committees of employers and employed. They wrote (1924): "The system of Pools avoids

preferential employment of single men or reduction of their wages."

The CONFÉDÉRATION GÉNÉRALE DU TRAVAIL UNITARE (who have a membership of over 500,000) published in 1927 the text of a Bill establishing a national pool for family allowances, to be independent of wages. At their Conference in 1926 it was declared that: "The majority of the proletariat who benefit from the allowances believe the system to be a good one. We cannot run our heads against this conception."

The FÉDÉRATION NATIONALE DU PERSONNEL DES SERVICES PUBLIQUES (départements, villes et communes), at their 15th Conference in September, 1927, approved the following Resolution unanimously:—

"That this Federation affirms that it has always considered that Family Allowances should be paid to all personnel in local government services on the same basis as to the personnel belonging to the other branches."

At a CONFERENCE OF FRENCH ENGINEERS in 1926 the following Resolution was passed:—"Considering that it is of the greatest importance that family burdens should be taken into account in the remuneration of expenses, this meeting urges that the Family Allowances paid to engineers should be proportionate to their wages and grade of work."

At the 6th CONGRESS OF THE FRENCH TEXTILE WORKERS' FEDERATION the following Resolution was adopted:—

"Family Allowances: That the system be generalised and that the rates should be raised when it is shown that they are insufficient."

At the CONGRESS OF FRENCH POST OFFICE WORKERS in May, 1924, the principle of Family Allowances was approved by all delegates.

Again, at their Congress in 1926, M. Barthe presented a favourable report on Family Allowances, which was approved. The report said: "In any case fathers of families cannot, and must not, be sacrificed. . . . The only practical method of establishing a little equilibrium between the pay of those who have responsibilities and those who have not lies in a statutory grant of cash allowances."

THE FÉDÉRATION DES SYNDICATS PROFESSIONELS FÉMININS declared:—"The allowances meet with our full support. They have not resulted in a lower wage for single men, but have placed at the disposal of married men resources corresponding more closely with their outlay, although the allowances are still insufficient in amount."

BELGIUM.

According to the "Labour Gazette" of March, 1923, Belgian employers found it necessary to introduce Family Allowances in the mines—

"to counteract the attraction of Belgian labour into France by the higher wages obtained in undertakings where Family Allowances are paid in that country."

The BELGIAN MINERS' FEDERATION endorse the principle, and their Secretary writes in 1924:—"Do you mean to ask whether the allowances have a favourable influence on the private life of the worker? If so, the answer is in the affirmative. I find the proof in the fact that they are everywhere accepted and, more important still, being paid direct to the mother, they are a valuable aid towards balancing the household budget; hence less anxiety and as a result a more joyous family life."

In 1925 he writes: "The allowances have had no effect on the basic wage. Neither have they in any way affected Trade Union solidarity. On the contrary, they have actually to some extent furthered Trade Union influence. When a workman thinks himself injured by the suppression or diminution of the allowances due to him, he appeals to his Trade Union delegate to secure the fulfilment by the employer of the rules regulating the allowances."

The CONSEIL GENERAL DU PARTI OUVRIER SOCIALISTE BELGE pronounced in favour of the principle at their Congress in 1923, but hold that the system should be collective.

The COMMISSION SYNDICALE DE BELGIQUE regard the system "as a fulfilment of the principle 'to each according to his needs', but hold that it should be collective and completely independent of industry".

The CONFÉDÉRATION DES SYNDICATS CHRÉTIENS DE BELGIQUE write:—"The existing system is not satisfactory, but we do not want a State system. We consider that contributions should be levied on the product of industry, and paid into a national industrial pool, administered by a joint committee, and subsidised by the State. The Trade Unions can resist any reduction of the single man's wage that might result from the system. Their solidarity has not been impaired by the allowances. A greater stability of employment is reported, but statistics are lacking."

In 1924 the first instance of a Family Allowance system organised by the workers themselves was reported, when the CONFÉDÉRATION OF CHRISTIAN UNIONS established an equalisation fund

for payment of Family Allowances to members. The allowances were paid in respect of children under 16 for the third and subsequent children.

THE INTERNATIONAL LABOUR OFFICE.

In November, 1925, the I.L.O. stated:—"On the question of the effects (of Family Allowances) on trade union solidarity, the argument is used that workers' organisations will be weakened owing to a difference of interest between married and unmarried workers. There is no evidence to show that trade union solidarity has been undermined in this way."

INTERNATIONAL CONGRESS OF CHRISTIAN UNIONS OF TEXTILE WORKERS.

In September, 1924, delegates from Austria, Belgium, Czechoslovakia, France, Germany, the Netherlands and Switzerland who were present pledged themselves (1) to do their utmost in order that the principle of Family Allowances be included in collective agreements; (2) to take the necessary steps with their Governments in the introduction by law of Family Allowances.

INTERNATIONAL FEDERATION OF TEXTILE WORKERS.

At the 12th Congress held in Ghent in 1928 delegates from Austria, Belgium, Denmark, France, Germany and Holland discussed the subject of Family Allowances. The general feeling among the delegates (other than those from France and Belgium) appeared to be that the question had received too little study for them to come to a clear-cut decision, such as could be crystallised in a definite resolution. The following extracts are from the speeches of some of the delegates who were in favour :—

M. SÉGIER (BELGIUM) :—"Family Allowances help to give all children a minimum of security, including those in large families."

M. VANDEPUTTE (FRANCE) :—"The divergent opinions we have heard to-day must have their origin in the fact that family assurance is quite unknown in some countries, and delegates from those countries naturally do not know their effects. I can conscientiously say that where they have been introduced their effects have been really good."

M. DUCHESNE (BELGIUM) :—"I, personally, as you will see from my observations, am a supporter of the system, and believe that the trade unions must absolutely work for its extension where the system already exists. . . . We are not asking for alms for the

workers, but a right that the wage-earners can demand. . . . We do not want ultimately the mechanical equality of wages. Do we not feel it unjust that a young unmarried worker should get the same money as the father of a family with five children to feed? Is it true that Family Allowances make for bad trade unionists? We in Belgium can see that the workers who receive these allowances are not the last to strike and not the first to go back to the factory. . . . If not directly said, it has been implied in the arguments, that Family Assurance would mean a stimulus to larger families. I believe that such a fear is quite unnecessary in the present state of enlightenment. Our working men and women have got their eyes open. My personal opinion is that the Congress has every reason to decide in favour of Family Allowances."

CIVIL SERVICE ORGANISATIONS.

Replies to a questionnaire issued in 1927 by the Family Endowment Society elicited favourable replies from the organisations of France, Germany ("We cannot see any disadvantages"), Holland ("The system is being strongly advocated by us so far as the Civil Service is concerned . . . would like to see it extended to all industrial workers"), Czechoslovakia ("Though the law does not satisfy us, it is an improvement on the previous situation"). The only slightly unfavourable replies came from organisations in Austria and Switzerland, but both admitted that the salaries of the unmarried workers had not been affected and reported no unfavourable results.

APPENDIX II

FAMILY ALLOWANCE SCHEMES IN OPERATION IN BRITISH FIRMS.

| Firm. | Year Scheme Started. | Children Covered. | Amount per Child per Week. | Wage above which Employees Ineligible. | Cost as % Wages Bill. | Notes. |
|--|----------------------|-----------------------------------|---|---|-----------------------|--|
| 1. E. S. & A. Robinson, Ltd., Bristol. ¹ Printers and manufacturers of paper and cardboard products | 1917 | 3rd and subsequent | 5s. ² | £9 per week | 0·15% total wages | ¹ The same scheme has been applied by 14 other firms engaged in paper making and allied business ² Raised from 2s. 6d. May 1937 |
| 2. J. Bibby & Sons, Liverpool. Cattle Food Manufacturers | 1919 | 3rd and subsequent | Total family income of men with 3 or 4 children made up to minimum of £3 10s. 0d. Total family income of men with 5 children made up to minimum of £3 15s. 0d. If there are 6 children of whom 3 are under 16 the first 10s. of income other than wage not reckoned. Costs 0·22% total wage and salary bill. | | | |
| 3. Britains Ltd., Leek, Staffs. Paper makers | 1918 | 1st and subsequent | 1s. | No limit | | |
| 4. John Thompson Engineering Co., Wolverhampton | 1926 | 1st and subsequent (maximum of 4) | 1s. | Unskilled workers £2 10s. per week; semi-skilled £2 15s. per week | | |
| 5. Pilkington Bros., St. Helens. Glass manufacturers | 1938 | 4th and subsequent | 5s. ³ | £400 p.a. | 0·23% total wages | ³ Paid during absence owing to sickness, accident or short time generally at firm's discretion |

| Firm. | Year Scheme Started. | Children Covered. | Amount per Child per Week. | Wage above which Employees Ineligible. | Cost as % Wages Bill. | Notes. |
|--|----------------------|--|---|--|---|--|
| 6. Tootal, Broadhurst, Lee Co. Ltd., Manchester. Cotton Spinners and Manufacturers | 1938 | 3rd ⁴ and subsequent | 4s. for 3rd child; 5s. for 4th and subsequent | £6 per week | 0.14% total wages | ⁴ Prior to July 1939, 4th and subsequent |
| 7. Maclean's Ltd., Brentford. Manufacturing Chemists | 1938 | 2nd and subsequent | 5s. | £5 (including children's allowances) | 1.19% total wages 1.88% male factory wages | |
| 8. Newton Mill Ltd., Hyde. Envelope Makers and Stationers | 1938 | 3rd and subsequent | 5s. ^{3 5} | £325 p.a. | | ⁵ Cost of living bonus of 10% added to all allowances |
| 9. Bentall's, Kingston-on-Thames. Departmental Store | 1938 | 3rd and subsequent | 5s. for 3rd child; 2s. 6d. for 4th and subsequent | N.H.I. level | | |
| 10. Cadbury Bros., Ltd., Bournville. Cocoa and Chocolate manufacturers | 1939 | 3rd and subsequent | 5s. ³ | No limit | 0.34% total wages 0.51% adult male wages | |
| 11. Barlock Typewriter Co., Nottingham | 1938 | 1st and subsequent (maximum of 4) ⁶ | 10s. per month | £5 per week ⁷ | | ⁶ Only children born after commencement of scheme are eligible. Maximum of 4 includes those born previously |

| | | | | | | |
|--|------|--------------------|---------------------------------|---|--------------------------|--|
| 12. N. Kilvert & Sons Ltd., Manchester. Refiners | 1939 | 3rd and subsequent | 5s. ³ | £5 per week ⁸ (total income) | 1.05% male factory wages | ⁷ Employees must be 21-45 years of age and have worked not less than 10 months in the business ⁸ Must be full-time regular employees having completed 6 months' service with firm |
| 13. Midland Counties Dairy Ltd., Birmingham | 1939 | 3rd and subsequent | 2s. 6d. | No limit | | |
| 14. H. P. Bulmer & Co., Hereford. Cider Manufacturers | 1939 | 3rd and subsequent | 5s. ⁹ | No limit yet fixed | | ⁹ Paid from income of special trust formed with 10,000 £1 ordinary shares |
| 15. Robinson & Sons Ltd. Manufacturers of Surgical Dressings, Chertfield | 1939 | 4th and subsequent | 5s. for 4th; 3s. for subsequent | | | |
| 16. Clark, Son & Morland, Ltd., Glastonbury | 1939 | 2nd and subsequent | 4s. ^{3,10} | £5 a week ⁸ | 0.33% | ¹⁰ Paid out of separate fund established for purpose |
| 17. H. Young & Co. Ltd. Nine Elms Steelworks, London. Structural Engineers | 1939 | 3rd and subsequent | 5s. | No limit | | |
| 18. C. & J. Clark Ltd., Street, Somerset | 1939 | 3rd and subsequent | 5s. | £300 | | |

| Firm. | Year Scheme Started. | Children Covered. | Amount per Child per Week. | Wage above which Employees Ineligible. | Cost as % Wages Bill. | Notes. |
|---|----------------------|--------------------|----------------------------|--|-----------------------|--------|
| 19. The Horsehay Co. Ltd., Bridge Bldrs., Wellington, Salop. | 1939 | 3rd and subsequent | 5s. | No limit | | |
| 20. Power's & Deane Ransomes Ltd. Structural Engineers, Lea Bridge Steelworks, London | 1939 | 3rd and subsequent | 5s. | No limit | | |

Most schemes provide that if allowance disqualifies recipient or family from receiving payment from any other source, it will be reduced accordingly.

In the majority of schemes the allowances are paid up to 14 years of age or longer if whole-time education is continued. In only one case is the allowance paid direct to the mother but several firms make the payment in a separate envelope from wages and require both parents to sign application.

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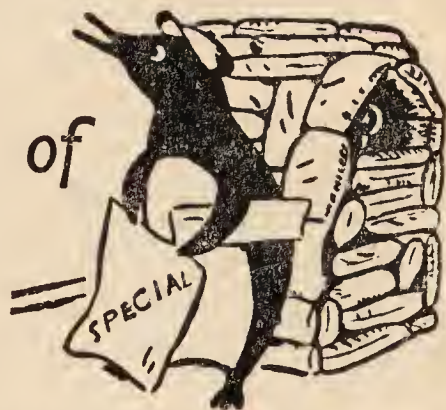
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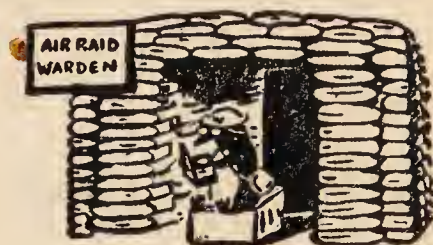
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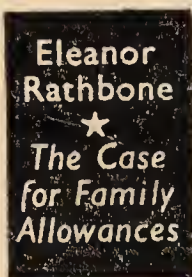
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